

EUROPEAN NEWS

French broadcasting reforms come to a vote

BY PAUL BETTS IN PARIS

THE FRENCH Government's controversial broadcasting...

left and right but also serious upheavals inside the right-wing majority itself.

The measures have stirred up greater political passions in France than the Government's programme to privatise 65 state companies...

They were drawn up by Mr Francois Leotard, the Culture and Communications Minister...

Among the changes proposed was one to abolish time limits on advertising during the screening of feature films.

length of a film.

OVERSEAS NEWS

Lebanese gun battle injures 17 Frenchmen, kills three militia

BY ANDREW WHITLEY IN JERUSALEM AND NORA BOUSTANY IN BEIRUT

AN OVERNIGHT gun battle in southern Lebanon yesterday injured 17 French soldiers of the United Nations Truce Force and killed three Shi'ite militia-men.

surrounding the French zone used rocket-propelled grenades and heavy machine guns in night-long exchanges of fire.

The third Amal militiaman was killed in the subsequent fighting.

Gonzalez denies contacts with Eta

By David White in Madrid

THE SPANISH Government has not held any secret contacts with the Basque terrorists...

He was denying a series of reports in the leading Madrid daily newspaper, El Pais...

According to the newspaper, the decision to arrest Mr Iturbide was widely considered to be one of the Eta figures most disposed to a negotiated solution...

Mr Gonzalez said the reports had created "confusion" and could serve to "give oxygen to the terrorist movement."

Alan Friedman on the planned launch of a financial daily newspaper

An independent view of Italy Today

MARCO BORSA, the 43-year-old financial journalist who is about to launch an Italian newspaper...



Marco Borsa, reckoned by many to be Italy's finest financial journalist.

has sold 120,000 copies. Mr Borsa reckons that 80 per cent of his readership will be businessmen who also take Il Sole.

But how does the editor of Italia Oggi propose to set his staff? Mr Borsa's answer is unequivocal: "I have told every journalist of mine that I will not tolerate militants either on behalf of political parties or of companies. If I find them they will be sacked."

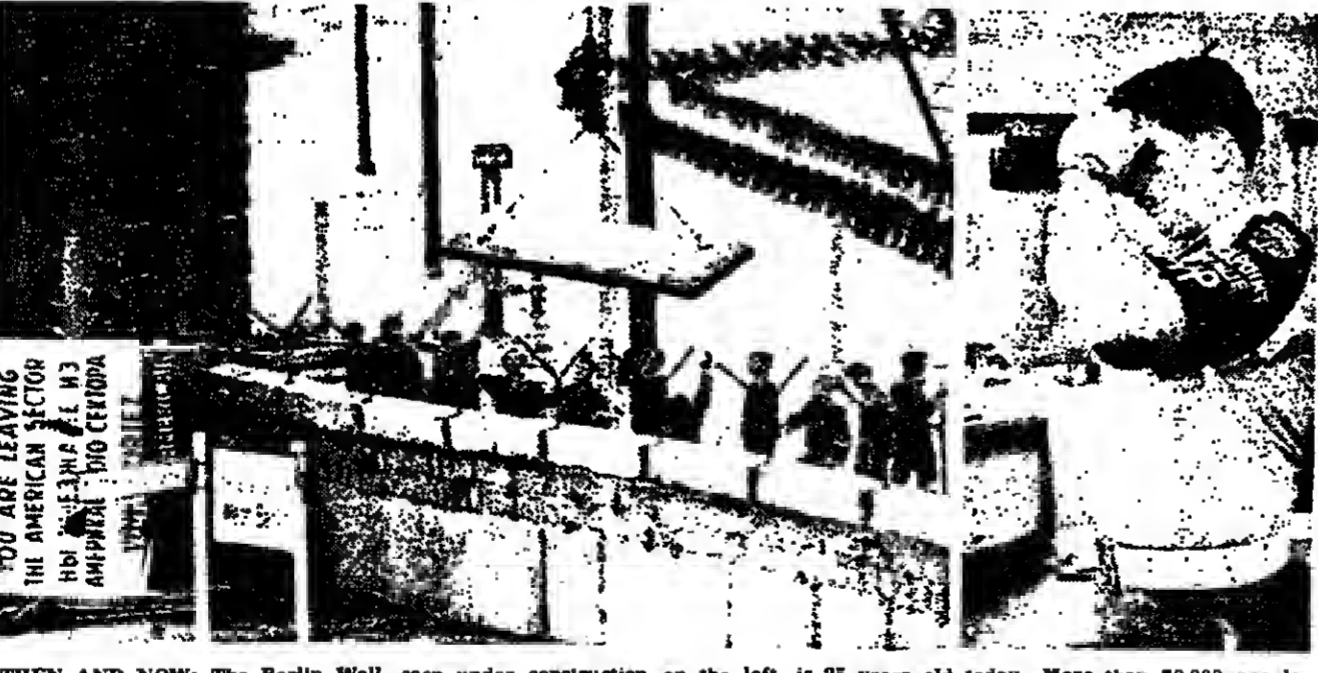
Doubt over progress at Moscow arms talks

BY CATHERINE REDDEN IN MOSCOW

A TEAM of high-level US arms experts left Moscow yesterday following two days of talks...

A news blackout was imposed by both sides on the talks which began on Monday at a secluded country mansion outside Moscow.

Mr Gerasimov also raised doubts about the progress in the talks, criticising statements from Washington that the Star Wars programme was negotiable.



THEN AND NOW: The Berlin Wall, seen under construction on the left, is 25 years old today. More than 30,000 people have escaped over it since 1961 and 74 have died in the attempt.

French growth

Economic growth picked up in the second quarter of 1986, boosted by strong internal demand...

Nakasone urged to visit shrine of war dead

By Jurek Martin in Tokyo

MR Masayuki Fujio, Japan's overseas education minister...

Warm to the theme yesterday, he said that the Japanese themselves had become far too timid in looking at the historical system itself.

Chinese gold smugglers undermine production drive

BY ROBERT THOMSON IN PEKING

THE Chinese Government's plan to encourage individual gold prospecting as part of national drive to increase production has been undermined by a sharp increase in gold smuggling...

Warning on bankruptcies troubles Peking hardliners

BY ROBERT THOMSON

THE Chinese Government's decision to allow state-run companies to go bankrupt...

Japanese opposition in disarray

By Our Tokyo Correspondent

THE parlous state of opposition politics in Japan has been further undermined this week by developments affecting two of the minority parties.

Secondly, the New Liberal Club, which formed a coalition with the ruling Liberal Democrats from 1984 until last month's general election...

Dead wood

Numerous senior party officials have yet to be converted to the reformists' drive to lop the dead wood from the state-run corporate tree.

Relief fund

The Shenyang workers will receive 75 per cent of their wages during the next six months...

Chernobyl threatens Lapps' centuries-old way of life

SCANDINAVIA'S LAPPS face an abrupt end to a way of life they have known for centuries as radioactivity...

Nature Management. "We fear the long-term economic consequences will force many Lapps to give up and look for other livelihoods...

market, and is offering herders some Nkr 18,000 (\$1.63m) compensation for the loss.

living off feeds that could be gathered, bunted or raised near their remote homes.

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OVERSEAS NEWS

Stock market surge boosts morale at Durban congress

By Anthony Robinson in Durban

HIGHER gold and platinum prices and a stock market setting record high levels, albeit in terms of the depreciated rand, gave a boost to the morale of South Africa's ruling Nationalist Party at the opening of its extraordinary federal congress in Durban last night.

In a statement only hours before the congress opened, Dr Gerbrand de Kock, governor of the reserve bank, said that the higher gold prices meant that this year's target for a current account balance of payments surplus of between R4-6bn was now assured.

He also revealed that South Africa has just repaid the third of eight tranches on its \$800m loan from the International Monetary Fund and fully intended to honour its other outstanding commitments under the terms of its partial debt moratorium obligations.

However, good news on the economic front was clouded for the Government after Monday's judgment by a full bench of the Natal court which declared invalid two key clauses of the state of emergency regulations introduced on June 12.

The judgment, which could lead to the release of thousands of detainees, is subject to an urgent appeal by government counsel. Legal experts say it represents the most important judgment to have been handed down on the emergency regulations so far.

Professor John Dugard, of Witwatersrand University Centre for Applied Legal Studies, also called it "the most important human rights judgment for many years." Thus far only two people, including Mr Lechesa Tsenoli, Natal publicity secretary of the United Democratic Front (UDF), have been released as a result of the judgment. But lawyers acting on behalf of the estimated 10-12,000 people arrested under the emergency regulations were yesterday urgently preparing applications for their release.

The so-called Tsenoli judgment which declared that President Botha had acted beyond his powers in promulgating two key sections of the emergency regulations, granting security forces the right to arrest and detain without a warrant, is not being on in the other three provinces but sets a precedent of "strong persuasive value," legal experts claim.

This week's court decision is expected to be an embarrassment for Mr Louis le Grange, the Minister for Law and Order, who is due to address



De Kock... good news

the congress in the set piece debate on internal security methods today. Although over 200 people, mainly blacks, have been killed in violent incidents since the emergency was declared, the Government maintains that the level of violence has dropped markedly in recent weeks.

Mr Solly Mahlangu, speaker of the assembly, announced the decision and expressed the fears of the homeland's black residents who do not want to become aliens without the right to work in "white" South Africa. "Independence is being uprooted and eradicated," he said. "The Kwandebele people do not agree with independence and they will not opt for it."

Meanwhile Mr Colin Eglin, leader of the white opposition Progressive Federal Party (PFP) yesterday called on President Botha and the congress not to succumb to the temptation to exploit international sanctions as an issue for party gain but as an issue of vital importance to the country as a whole. He also called on congress to concentrate on the fundamental issue of the abolition of apartheid.

At the other end of the white political spectrum, talks between the breakaway right wing Conservative and Heritage National Party (HNP) parties took place in Pretoria yesterday, aimed at forging closer co-operation between the two right wing parties. Both are still wedded to the original National Party strategy of grand apartheid and appeared to be gaining ground strongly before the National Party made its own rightward shift over the last three months on issues of internal security and national independence.

Recovering support from traditional Afrikaners and wooling moderate English-speaking voters is another of the key aims of the congress.

Kwandebele rejects independence

By Our Foreign Staff

LEADERS of South Africa's Kwandebele tribal homeland north of Pretoria yesterday rejected a plan for the territory's independence, following months of violent opposition to the proposal during which about 100 people were killed.

The decision not to opt for independence was taken by the homeland's legislative assembly after a four-hour discussion. South African and Kwandebele officials have privately expressed doubts for some time about the wisdom of setting up another nominally independent state within South Africa's borders.

Four of the 10 homelands established under apartheid policies - Venda, Bophuthatswana, Ciskei and Transkei - have already taken independence but are not recognised internationally.

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Andrew Mack reports on the background to the rift in the pact Anzus allies remain optimistic

Administration, despite serious differences over US subsidised wheat sales to the Soviet Union.

It is a relationship that is too close for many on the left of the Labor Party.

Notwithstanding this amity at governmental level, important differences exist on a wide range of security policies. On questions relating to nuclear arms control, for example, the disagreements between Washington and Canberra are profound and often heated.

The most recent source of American concern has been the wide-ranging and much-publicised report on Australia's defence force structure by former academic and senior intelligence analyst, Mr Paul Dibb.

The Dibb Report was released in June; its main thrust has been warmly endorsed by the Government. The report provides a tightly and cogently argued rationale for the radical shift in Australian defence thinking and force procurement policy which has been under way for a decade and a half.

The new defence thinking stresses self-reliance and rejects the earlier doctrine of "forward defence," which had involved Australia in fighting alongside its allies in distant theatres like Korea and Vietnam.

The Dibb report argues for an essentially defensive strategic approach. Dibb's "strategy of denial" would seek to repel armed

aggression against Australia through a layered defence system which places primary emphasis on the nation's increasingly effective maritime strike forces—most of which are armed with the potent Harpoon anti-ship missile. In Australia many of Mr Dibb's arguments and assumptions have been attacked by conservative critics nostalgic for "forward defence" and suspicious of the defensive orientation of Mr Dibb's proposed strategy. The general thrust of the report doesn't seem to have pleased American hardliners such as Admiral



Hawke: avoided taking sides.

James Lyons, the US commander in the Pacific, either. At a conference at the Naval War College, Newport Rhode Island last month, Mr Lyons and other critics expressed grave reservations about some of Mr Dibb's recommendations. They rejected his assessment that Australia will confront no major threats over the next eight years.

Other signals coming from Washington have been more supportive of the report. Indeed, the US has little cause to complain. Australia's growing stress on military self-reliance is due in large part to past US pressures—in particular to the Nixon Doctrine of 1970 which called on US allies to take primary responsibility for their own defence in regional conflicts. The Dibb report, and more than a decade of Australia defence planning before it, are a response to precisely these American pressures.

There is much speculation in Canberra and Wellington about the outcome of next month's meeting in San Francisco. But whatever formal statements may be issued about the alliance, no one doubts that the basic strength of the US/Australian relationship will be affirmed, or that New Zealand will remain out in the cold for the foreseeable future.

Andrew Mack is Head of the Peace Research Centre at the Australian National University.

Minister's resignation refused

Dai Hayward in Wellington

MR DAVID LANGE, New Zealand Prime Minister, yesterday refused to accept the resignation of Mr Roger Douglas, Finance Minister, because of a budget leak on July 31.

Mr Douglas tendered resignation hastened the Prime Minister's return from Fiji, where he had been attending the South Pacific Forum conference. Mr Lange left the conference abruptly 24 hours ahead of schedule when he received the news.

Mr Douglas offered to resign, accepting "ministerial responsibility," when it was disclosed that a copy of the budget document had mistakenly been delivered to the office of a daily newspaper five hours before it was presented in parliament.

Opposition Leader Mr Jim Bolger claimed the resignation offer was an attempt to divert attention away from the gravity of the Anzus situation.

Later Mr Lange said that New Zealanders should remember that the Anzus treaty, signed 35 years ago, had never placed an obligation on the US to come to the defence of New Zealand. It merely provided an obligation for the US to consult with its partners if New Zealand or Australia were threatened.

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Tourists recovering after Zambian police beating

TWO TOURISTS, a Swiss man and an Austrian woman, who suffered severe beatings while in Zambian police custody on suspicion of spying, were recovering after being freed but remained in a state of shock, according to an Austrian embassy official in Lusaka, Reuters reports from Lusaka.

The pair arrived in Lusaka on Monday night after being released in the northern town of Kasama on Sunday.

Their three companions, all Swiss, were expected to arrive in Lusaka yesterday, but another woman member of their party, Susan Basler-Lamb, a Zimbabwe-born Swiss national, was still being detained, the official said.

The official declined to name the five tourists who had been freed but said the Swiss were all from German-speaking Switzerland.

The two in Lusaka seemed to be in reasonable physical condition "considering the circumstances," she said.

The tourists are among more than a dozen foreigners who have been maltreated by Zambian police since a South African air raid on an alleged African National Congress (ANC) guerrilla base near Lusaka in May.

Zambia has been in a state of alert since the attack, and large numbers of foreigners have been detained on suspicion of being South African spies.

The six Swiss and Austrian tourists were held on July 24 in the remote northern town of Nakonde, on the Tanzanian border, soon after they had entered Zambia from Malawi.

They were travelling overland from Cape Town and had been planning to take a ferry across Lake Tanganyika to the Burundian capital, Bujumbura.

After another Austrian woman, who was travelling alone, was tortured by Zambian police, the Austrian Government advised its nationals last week not to travel to Zambia except for urgent business reasons. The woman was freed late last month after being held for three weeks.

President Kenneth Kaunda of Zambia said on Sunday that he had not been informed of detainees being maltreated but if the reports were confirmed, those responsible would be punished.

Britain and West Germany have also complained of their citizens being brutally maltreated and have lodged strong protests with the Zambian authorities.

West Africa 'still poor despite decade of aid'

NINE West African countries in the drought-prone Sahel region remain among the world's poorest despite a decade of US aid, a congressional study said yesterday, Reuters reports from Washington.

The study by the Office of Technology (OTA), a research arm of Congress, estimates that as much as \$20m in long-term international aid will be needed for the region to be self-sufficient in food.

"Sahelians lag behind most of Africa in child survival, life expectancy, individual annual income and per capita food production," the report says.

"At the same time they face mounting debt, expanding populations and degrading natural resources."

The report, ordered by Senator Edward Kennedy, was an interim review of a 10-year US development programme that channelled \$1.4bn to Chad, Nigeria, Mali, Senegal, Burkina Faso, Mauritania, Gambia,

Cape Verde Islands and Guinea-Bissau.

The report found that, while US and other international aid - in particular for agricultural development projects - had helped to ease the region's problems, much more needed to be done to find long-term solutions.

It said the region had the resources necessary to be self-sufficient in food by the end of the century but it would require a co-ordinated effort by the international community over 15 to 20 years and cost an estimated \$15bn-\$20bn.

Interim findings of the study, which is not scheduled to end until next year, were released to help Congress decide how best to promote long-term economic development in Africa.

The 184-page report made several recommendations, including ways to make the Agency for International Development, which administers US foreign aid programmes, more effective.

AMERICAN NEWS

Democrats chip away at Reagan defence budget

THE Democrats-controlled House of Representatives began a marathon defence debate by axing funds for a Trident nuclear submarine but voting \$1.1bn (£748m) for President Ronald Reagan's MX intercontinental missile programme.

UN delegates assail US for putting arms before food

MEXICAN and Cuban delegates to a United Nations food conference launched a strong attack yesterday on the US for devoting huge sums to the arms race and not enough to eradicate world hunger.

Venezuela to make proposals on debt

THE VENEZUELAN Government is to present formal proposals by early next month to major creditors for refinancing \$21.2bn (£13.8bn) in foreign debt.

Ecuador eases curbs on foreign exchange

ECUADOR HAS announced measures to liberalise its economy, aimed at increasing non-oil exports and which include allowing private companies to receive directly foreign exchange for exports.

Pinochet is under pressure to improve human rights, Mary Helen Spooner reports Washington tries carrot and stick on Chile

AN EDITORIAL cartoon in a Chilean tabloid recently depicted Mr Elliot Abrams, the US assistant secretary of state for Inter-American affairs in a cart pulled by an irate-looking Chilean peasant.



Harsh crack down on opposition protests has angered human rights groups and governments abroad

The drawing showed Mr Abrams wielding a stick in one hand and dangling a carrot in the other, as the peasant dragged the cart down a road marked "democracy".

On July 30 Mr Abrams warned that the Reagan Administration could oppose loans to Chile from multilateral lending institutions if General Augusto Pinochet's regime did not improve its human rights record and take more definitive steps towards a transition to democracy.

Chile has pending applications for over \$800m in loans from the Inter-American Development Bank and the World Bank.

The precise effect that US government opposition to multilateral loans to Chile would have on the country's commercial creditor is difficult to gauge, but it is nevertheless thought to have Pinochet regime officials worried.

The US also wants the regime to clean up its human rights record—one of the worst in Latin America.

Both countries agreed that more must be done in the war against drugs, with Mexico concentrating on trafficking and the US acting to suppress consumption.

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US seeks better relationship with Mexico

BY OUR U.S. EDITOR IN WASHINGTON

THE US and Mexico are hoping to put recent strains in their relations behind them, and concentrate on common objectives, in talks between President Ronald Reagan and Mr Miguel de la Madrid, the Mexican President, at the White House today.

At today's meeting, however, Mr Reagan is expected to go out of his way to congratulate Mr de la Madrid on the country's recent \$3.6bn (£2.4bn) loan agreements with the IMF

and the World Bank and the economic reforms it is implementing as a result. Negotiations are continuing for \$2.5bn from commercial banks this year, an \$8.5bn next year, as well as possible bridging loan from the US Government.

Both countries agreed that more must be done in the war against drugs, with Mexico concentrating on trafficking and the US acting to suppress consumption.

Amazon drug raid planned

COLOMBIAN and Peruvian police are preparing to launch this week a joint anti-drug drive aimed at eradicating all the cocaine laboratories along the Amazon jungle border dividing the two countries.

WORLD TRADE NEWS

China moves to repair 'open door' damage

Robert Thomson on changes in Peking's foreign investment policies

THE growing pains of the "open door" policy are not only afflicting foreign investors, many of whom are having second thoughts about China.

central bank, to raise foreign loans. Last year these corporations had the authority to borrow abroad.

Foreign investment in China fell 20 per cent in the first half of this year to \$1.24bn. Peking claims that since the "door" was opened in 1979, 2,645 equity joint ventures, 4,075 contractual joint ventures and 130 wholly-owned foreign enterprise contracts have been signed.

licence and, second, the measure was encouraging construction companies and the like to become trading companies.

businessmen are pleased that the troubled investment climate has at least been recognised by the premier and the Bank of China.

division of the foreign economic relations and trade bureau in the central province of Hubei, says the region has signed 39 contracts for joint ventures, seven of which have virtually collapsed.



Zhao Ziyang: trying to improve investment climate

Paris gives Moscow more time on shipping

THE French government has postponed for a further three months the deadline annulling a shipping transport agreement with Moscow in an effort to negotiate a new bilateral shipping pact with the Soviet Union.

Spanish opposition could delay pasta pact approval

BY DAVID WHITE IN MADRID

SPAIN WILL try to modify some of the terms of the agreement which the EEC and the US reached at the weekend in order to resolve their "pasta war" trade conflict.

ment rather than making a frontal attack on the terms for US exports of citrus fruit to the Community.

The 12-member consortium, METRA will provide design, engineering, construction and operations planning for two 18 km lines through the centre of the capital.

Punjab presses for Pepsico project

BY JOHN ELLIOTT IN NEW DELHI

THE GOVERNMENT of the troubled northern Indian state of Punjab is providing powerful political support for the second attempt by Pepsico within 18 months to be admitted into India as a provider of soft drinks and an exporter of processed agricultural products.

new ground by offering to manufacture its secret cola concentrate in India and to use only a hybrid version of its trademark, such as Ind Pepsi.

Government in the Punjab had stressed the project would have "tremendous psychological importance" to the state after the troubles of recent years which had hit the investment climate.

Rs 170m would be spent on a processing unit to turn 25,000 tonnes of potatoes and 5,000 tonnes of grain into snack foods every year, mainly for the Indian market, and to process 80,000 tonnes of fruit, primarily for exports.

Yugoslavia to modernise telecoms system

Yugoslavia plans to spend \$1.26bn on modernising its post office telecommunications network by 1990, Reuter reports from Belgrade.

UK groups in Athens metro deal

By Our Athens Correspondent

A British-Greek consortium has won a consultancy contract for a \$1.1bn project to expand Athens' single-line subway system.

Australia cancels casino construction deal

BY EMILIA TAGAZA IN CANBERRA

THE Australian Government yesterday cancelled the A\$750m (£345m) management contract for the construction of a casino awarded last June to Harrah's of the US and Hooker Corporation, its Australian partner.

the contract after receiving the findings of police investigations into the two companies. The findings will not be made public until 1st September, but the NSW Premier, Mr Barrie Unsworth, indicated that the Government's main concerns were the investigations into Harrah's, a unit of Holiday Inns, by the US Federal Bureau of Investigation (FBI) and alleged deals between Hooker and certain Australian trade unions.

other final bidders, Genting of Malaysia and its Australian construction partner Civil and Civic, and the Sabemo and Westin Federal Hotels Consortium.

The Hooker-Harrah's consortium had proposed to build a casino complex with a 700-room hotel, with the casino having 400 gaming tables, 1,500 video gambling games and a capacity of 11,000 gamblers at any one time.

Spanish opposition could delay pasta pact approval

The critical stances taken by Spain and Italy, which both consider the terms to be over-generous to the US, were expected here to delay ratification of the agreement.

UK NEWS

Minister meets breakaway union leaders

BY PHILIP BASSETT, LABOUR EDITOR

THE GOVERNMENT has held joint talks with leaders of the main breakaway unions in teaching, the health service, the railways and mining in what the unions involved are claiming is a "historic" breakthrough in official relations.

The meeting between Mr Kenneth Clarke, Paymaster General, and senior Employment Minister, and five unions is the first time that talks have been held between the Government and those unions collectively. Most of the unions were formed after splits in the original unions over strike action. None of the new organisations is affiliated to the Trades Union Congress (TUC).

The talks are likely to prompt further suggestions that the unions are the kernel of an alternative national trade-union organisation. They included the Professional Association of Teachers, the Association of Professional Ambulance Personnel, the Professional Association of Nursery Nurses and the Federation of Professional Railway Staff, together with the Union of Democratic Mineworkers as observers.

As well as forming the first official collective contact with ministers, the meeting, set up by the breakaway rail union, was the first time that the unions had met together since initial contacts were made about 18 months ago. The unions are mainly guided by the twin principles of greater union democracy and opposition to strikes.

Most of the unions involved, unlike those in the TUC, are characterised by rapidly growing membership figures. Union leaders at the meeting said that Mr Clarke listened "sympathetically" to them. The Department of Employment made no comment yesterday.

Mr Clarke did ask the unions to draw up for the department's examination a code of practice on individual employees' rights. Mr Geoff Butler, secretary of the breakaway rail union, said yesterday the aim of the code would be "to secure better rights for people who work during strikes."

The unions involved are pressing the Government for action to try to prevent what they claim is victimisation of their members - often by employers who already recognise the unions from which the breakaways sprang.

Call for tougher laws to protect consumers

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

LEGISLATION TO put a general duty on all companies to trade fairly was proposed yesterday by the Office of Fair Trading (OFT).

The proposals were included in a discussion document published yesterday and are aimed at stamping out the "cowboy" traders - especially in the home-improvements and used-car trades - who manage to escape prosecution under existing consumer protection laws.

"What is needed now is some kind of legal safety net to catch all 'rogue' practices which are still slipping through the mesh," said Sir Gordon Borrie, Director General of Fair Trading, yesterday. "The solution I have in mind is a basic piece of law which we have called a general duty to trade fairly," he added.

"Under this over-all duty, specific guidelines aimed at particular trades or methods of selling would also be introduced - perhaps one could call it designer law for shops, garages, builders, in fact for any firm or individual who serves the public."

Sir Gordon's proposals are being sent to interested trade bodies and other parties, which have until next February to make their comments. He is likely then to make a formal proposal to the Trade and Industry Secretary for primary legislation to be introduced to bring into force the all-embracing consumer protection law.

More lose homes as mortgage debts rise

By Nick Bunker

MOUNTING mortgage arrears have led to another rise this year in the number of homes repossessed by the UK's building societies. They took possession of 10,630 properties in the six months to June 30 - 13 per cent more than in the second half of 1985.

The figures were published yesterday by the Building Societies Association (BSA). Two weeks ago, the BSA showed in its annual Fact Book that in the whole of 1985 there were 16,770 repossessions, more than 50 per cent up on the 1984 total.

Yesterday's figures underlined the recent warning from Sir Timothy Bevan, chairman of Barclays Bank, about the bad debts in store for lending institutions that show no restraint in the current home-loan boom.

Building societies' mortgage lending broke another monthly record in June, when they promised more than £4bn to home buyers. That was despite low net receipts from savers of £387m, well below this year's monthly average of £600m.

Rapid growth in their loan books meant that societies took in the first half of the year 86.7 per cent of the mortgage market, according to the BSA. That was better than the BSA's own forecasts that societies would maintain their market share at about 75 per cent to 80 per cent.

Leading building societies have been surprised by the ease with which they have fought off competition from banks and other newer financial institutions.

Mr Tim Melville-Ross, chief executive of the Nationwide Building Society, said the building societies' high share of the home-loan market was now "a little bit unhealthy."

He said: "We as an industry have been going to far down-market and have lent to people who should not be in owner-occupation," he said. A further increase in arrears and repossessions was "bound to happen" as a result of the present high volume of lending.

Recent rises in mortgage arrears were probably a delayed result of strong competition between lenders in the mortgage market in 1984, when societies built their loan books partly by lending more to lower-income borrowers.

INSURANCE MARKET REPORT CRITICISES AUDITORS' PERFORMANCES

Lloyd's blames agency managers

BY NICK BUNKER

AN OFFICIAL report of Lloyd's, the London insurance market, found no evidence of fraud or gross negligence by managers of Richard Beckett Underwriting Agencies (RBUA), the company that in 1982 began running the troubled PCW insurance syndicates.

The report, published yesterday by the Council of Lloyd's does, however, point to "errors of judgment and inadequacies of performance" at RBUA. It criticises "disappointing performances" by two firms of auditors, Arthur Andersen and Arthur Young, in advising and supporting RBUA.

Mr Richard Beckett took over management of syndicates run by the PCW underwriting agency in

December 1982, after the dismissal of Mr Peter Green, PCW's former chairman.

The 1,525 underwriting members (Names) of the former PCW syndicates later discovered that up to £30m had been misappropriated by the syndicates' pre-1982 managers. Mr Alan Lord, Lloyd's chief executive, disclosed yesterday that Lloyd's had also now increased to £238m its estimate of further underwriting losses faced by the PCW Names, who claim that the losses relate directly to the earlier irregularities.

Lloyd's is now trying to reach a settlement with the PCW Names, who plan to sue Lloyd's and a range

of other commercial interests in the insurance market.

The former PCW syndicates are now managed by Lloyd's Additional Underwriting Agencies (Number 3). The latest report on RBUA follows a year-long inquiry by a committee chaired by Mr John Davis, vice-chairman of Lloyd's Bank. Publication was scheduled for late May but held up by an injunction from Arthur Andersen, which was discharged on July 11.

Mr Lord said the report was "not full of villains. It does not have any villains at all. There are a number of lessons in it which we would like to learn."

The Davis report says that Mr Beckett's decision that the RBUA

syndicates should continue underwriting after December 1982 was "reasonable ... on the basis of the knowledge which he had at that time." It adds that RBUA's directors provided Names with "all the independent advice that could have been reasonably expected" when Names were offered a partial settlement of more than £38m to cover money allegedly misappropriated by PCW's former management.

The performances of both firms of auditors were "disappointing" for failing to advise RBUA about possible difficulties in its reinsurance programme, and the dangers of simplistic policies for making reserves for losses on so-called "long-tail" liability insurance.

Cassettes overtake value of LP sales

CASSETTE sales in the UK are ahead of sales of LPs in value for the first time, despite the lower average price of cassettes, according to figures for the second quarter of 1986 published by the British Phonographic Industry. David Thomas writes.

In the three months to June, 12.6m cassettes worth £27.8m were sold, compared with 9.7m LPs worth £25.3m. Overall, the UK record industry recovered in the second quarter from the fairly flat first three months of the year.

Paisley marches with deputy in move to demonstrate unity

BY HUGH CARNEGIE IN LONDONDERRY

THE REV Ian Paisley, leader of the Democratic Unionist Party, in Northern Ireland, and Mr Peter Robinson, his deputy, marched side by side in a big annual Protestant parade through Londonderry yesterday, underlining their efforts to dispel speculation of differences between them.

There were several outbreaks of violence after the main parade had passed, as security forces came under petrol-bomb and stoning attacks by both nationalist and Unionist gangs. Police fired plastic bullets at the rioters, who set at least one building on fire.

Mr Paisley and Mr Robinson

were among some 15,000 members of the Apprentice Boys of Londonderry organisation, who joined the annual celebration of the relief, 297 years ago, of a Roman Catholic siege of Protestant forces in the city.

Mr Paisley, who returned home from the US on Monday, said Mr Robinson was marching as his guest. The deputy leader faces charges in the republic tomorrow arising from a Unionist cross-border incursion last week. Mr Robinson has said he will definitely travel to Dundalk to answer to charges and Mr Paisley intends to go with him.

The IRA kept up its campaign against the police forces with two attacks on police stations near Portadown, County Armagh, and Pomeroy, County Tyrone, on Monday night. In one, six people in a nearby pub were injured by a bomb blast.

Michael Cassell writes: Mr David Steel, the Liberal Party leader, yesterday criticised Mr Robinson for what he described as the MP's irresponsible actions in leading a protest march over the Irish border.

Mr Steel said the actions of Mr Robinson and his "Democratic Unionist outlanders would be considered pathetic if they were not so dangerous."

BBC to show programmes on Chinese TV

By Chris Cragg

BBC Enterprises has signed an agreement with China Central Television (CCTV) to show a variety of BBC TV programmes. The deal involves a novel form of payment for the programmes using advertising rather than straight sale.

The foreign currency required to pay for the BBC programmes will be supplied direct from the London-based China International Marketing Company. That new marketing organisation will raise the revenue involved by offering advertising on CCTV's network. The rate will be \$5,000 for a 30-second slot, believed to be the lowest in the world.

CCTV is China's largest television network, with an average of 300m viewers. There are now around 65m television sets in the country and the number is growing at the rate of 15m a year. The network has already bought many BBC programmes, notably Shakespearean drama, Anna Karenina, Bergamot and the comedy series Yes, Minister.

Under the new scheme, the Chinese will see Miss Marple, Great River Journeys and the wildlife documentary The Living Isle, courtesy of the advertisers. What is less obvious is who precisely those advertisers will be.

Nestlé, Kodak, Procter and Gamble and General Foods already advertise regularly on Chinese television, presenting general consumer goods.

□ AIRLINES and travel agents should be allowed to sell tickets as cheaply as they like, the National Consumer Council says in a report. Responding to a request by the Civil Aviation Authority for views on its plans to introduce bulk fare discounts, the council says that if a travel agency is prepared to offer cheaper tickets by lowering its own profit margins, it should be allowed to do so.

□ A GROUP of 50 investment institutions formed the Association of Futures Investments to lobby for funds investing in the futures markets to be allowed in the UK. At present, investment firms wishing to set up funds investing in futures must do so offshore.

□ WORLD SPEED record for any type of helicopter has been won by Westland of Yeovil, Somerset, with a Lynx helicopter using advanced-technology rotor blades, flying at 249.10 mph (400.87 kph). The previous record of 228 mph (367 kph) was held by the Soviet Union.

□ OIL COMPANIES have followed the lead of Shell in raising petrol prices by 7p a gallon. The higher prices at BP, Texaco and Esso take effect from today. Mobil prices are set to rise tomorrow.

□ GROUSE SHOOTING season started with more of a misfire than a bang. Hunters seemed to outnumber grouse as some moors reported the lowest numbers of birds for 40 years, as a result of bad weather and disease.

□ TESCO supermarket chain is spending more than £233m on new superstores this year, which the company said, will create thousands of new jobs.

Fillip for property investment

BY DAVID LAWSON

MOVES BY the London Stock Exchange might accelerate the development of radical types of investment in commercial property.

The exchange has agreed to take under its wing the development of single-asset property companies by considering for listing the proposed Property Income Certificates (Pincs) and similar investment vehicles and to give full corporate membership to members of the Pincs Association.

Becoming part of the main market is a boost for moves such as the

sale of shares in individual buildings. The association expects to have four buildings worth £20m to £50m each lined up by the end of the year to issue Pincs.

"We will be disappointed if it is not 12 buildings in two years and there could be more than 20 if the market takes off," Mr David Sizer, of Richard Ellis, a member of the Pincs, said. "Property is the last of the unmodernised markets. This will be a watershed in property investment."

Pincs are securities that give the same benefits of income and capital growth to investors, but are tradeable. That means investors can take a slice of a building rather than the costs of up to £75m which sometimes defeat even the biggest pension funds.

The stock exchange move has settled any fears about the existence of a suitable market for single-asset investment vehicles, according to Mr Paul Rivlin of County Ltd, County Bank's merchant-banking arm.

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MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Industrial relations

How Hitachi broke the union mould

BY PHILIP BASSETT

BRITAIN'S complex industrial relations are changing. Unemployment, the slow death of industries like shipbuilding and steel, new employment in sectors like high-tech and services, the use of new technology, the advent of new managements, often foreign, particularly Japanese, new labour legislation and the weakened state of UK trade unions are among the factors forcing the pace of that change.

Partly as a result, the UK has been pulled back from the strifefree image of the "British disease" to its most strike-free year for half a century. While the revolutionary, militant challenge of the 1984-85 miners' strike captured the headlines, away from the limelight a new form of industrial relations has been taking shape.

Coined in the pragmatic stances of the TUC's so-called "new realism", this development has taken its most extreme form in the strike-free agreements being signed by the EETPU electricians' union, and others, which through strike-substitute mechanisms such as pendulum arbitration—an arbitrator having to choose either the union's claim, or the employer's offer—see strikes as a wasteful and costly method of resolving differences, and so are specifically designed to avoid them.

A new study, *Strike Free: New Industrial Relations in Britain*, describes these changes—and looks at different examples of how they are working in practice. In the first of three extracts from the study, the experience of Hitachi, which replaced its existing union agreements with a single union deal, is charted.

TEN MILES from the south Wales mining village of Merthyr, where the 1984-85 coal strike ended at its most emotional—men who had stayed out solidly for a year marching back to their pit behind a brass band—lies the little town of Hirwaun. Just outside it on a small industrial estate guarded by cattle-grids, nestled behind a Dunlopillo factory, lies the Hitachi television and video manufacturing plant.

"This factory used to be awful," says Wyn Bevan, EETPU executive councillor for the area. "Discipline was non-existent—people strolling off the production lines to do whatever they wanted to, whenever they wanted. The lines were full of pies, and pasties and cups of tea, people smoking and tapping ash. You can't have sophisticated electronic equipment with pieces of pasty and cups of tea falling all over it."

Now, it no longer does. Once a cornerstone in the growth of

the giant GEC company—Lord Weinstock, its managing director, was once managing director of the Hirwaun plant for a year, and married the daughter of its founder, Sir Michael Sobell—the plant, like Toshiba, was run as a joint venture with GEC for five years, before GEC pulled out in 1984.

"The joint venture period was horrendous," says one senior Hitachi executive now. "What looked like a sensible business decision was really just an expedient business decision." Hitachi resolved the problems that any change in long-standing agreements can provoke, and balance them against expected benefits.

They were right. In the days of the joint GEC-Hitachi venture, there were a number of unions recognised at the plant—the EETPU (716 members), AUEW (223), ASTMS (87), Ucait (87), Apex (60) and Tass (15). In addition, the TGWU (10) had unofficial "representational" rights, and there were 115 non-union employees.

As part of its new agreement, Hitachi was insistent on recognising only one union. It chose the EETPU, its largest—though, as one manager now puts it: "I must say that we felt rather fortunate that the majority union was the EETPU."

In April 1984, the company wrote to its unions informing them that it planned to announce a single-union deal with the EETPU at the end of the month. Outraged, the other unions sought immediate meetings with the company, and then with the TUC, to complain about the EETPU's behaviour.

Hitachi on April 30 served formal notice on the five recognised unions other than the

decision which was to embody long-term implications for the EETPU and for the structure of British trade unionism.

Acas officials warned at the time in an internal paper of the possibility of union recognition "spark[ing] off the majority of industrial relations problems so far" with the strike-free deals, and suggested that such moves "can provoke substantial disruption to industrial relations within the companies concerned, and employers will need to consider carefully the problems that any change in long-standing agreements can provoke, and balance them against expected benefits."

The stage was now set. The TUC, on June 5, tried informally to bring together the EETPU and the other six unions—the TGWU though not recognised, had joined the complaint. It was a failure.

A disputes committee, headed by Jack Eccles, from GMBATU, that year's TUC chairman, and with Eric Nevin, general secretary of the merchant navy officers' union, and John Scott-Garner, president of the then Post Office Engineering Union, met on July 24 to hear, and reject, the EETPU's claim that it had no case to answer. A final attempt at the meeting to reconcile the two sides again failed.

While the TUC's machinery ground slowly on the pace of change at local level was accelerating. At the end of April, the company began a lengthy process of explaining to its employees what the changes spelt out in a document called *A New Future at Hirwaun*, would mean. Employees were seen in groups of 35, and each received a copy of the paper explaining the new deal: 508 redundancies, a 7 per cent pay increase, single status, full flexibility, a company members' board, pendulum arbitration, no



With a single union goes unity of purpose—as signposted at Hitachi's south Wales factory.

strikes—and a single union.

Ann Clwyd, Labour MP for Cynon Valley, formally and publicly protested at the redundancies, but Wyn Bevan got down to the task of negotiations on them, and on the agreement.

Bevan says now that the talks on the agreement, bringing it down from what he describes as the company's original "draconian" proposals, were among the hardest he has ever known. Convinced himself, he began the uphill task of first convincing the EETPU's shop stewards, and then the union's members—as the company had done, meeting them in small groups, painstakingly going over and over every small point of the detailed, 33-page document.

For the employees, single unionism was not an issue, according to Tony Pegge, Hitachi's personnel executive. "Most of the company members in the factory didn't know which union they were a member of. They were concerned about being union members, but not concerned about the single-union matter. Single-union matters were problems for full-time officials."

Problems there were for the unions. On June 18, in the cinema in nearby Aberdare, the six unions held a mass meeting—at which, it was claimed, 550 Hitachi employees, including 100 EETPU members, were present—and it voted unanimously against signing the agreement.

A month later, these being made redundant had gone, and the EETPU, negotiations concluded, organised a secret ballot of its remaining members in the company on the "New Future" document. The result was overwhelming: 87 per cent in favour. The union and the company signed the agreement the same day. It came into effect on August 8—and by the end of the

week, the other unions were out.

Seething, frustrated, all that the other unions had left now was the hope that the TUC would rule the agreement out of order (though the company was making it abundantly clear that what the TUC did or said did not concern it, or its agreement with the EETPU).

With all urgency gone, and the TUC finally beginning to become involved in the unions' strike, the full disputes committee hearing was not held until January 16. Led by Tim Webb, from ASTMS, for the six unions, and Bevan and Roy Sanderson for the EETPU, the two sides locked horns in the TUC's headquarters, Congress House, in London's Bloomsbury.

TUC disputes committee findings, let alone the hearings, are confidential, but a seven-page internal TUC report of what the TUC described with considerable understatement as a "difficult dispute" makes plain what occurred.

The six unions' charge was straightforward enough. The EETPU had signed a single-union deal with Hitachi. The other recognised unions had been excluded. The EETPU was therefore in breach—on two counts—of Bridlington.

As the TUC report says: "It was the complainant unions' view that they had been faced throughout with collaboration between an affiliated trade union and an employer in an attempt to destroy the then-current and long-standing organisational negotiating rights of other union members."

The EETPU rejected that claim. Bevan and Sanderson said they had not tried to poach other unions' members, and gave an undertaking that they would not do so. In effect, Hitachi presented a wholly new

employment position; in so far as the TUC's Bridlington principles applied, they had complied with them. They had been faced with an intransigent employer: "To have pursued the action suggested by the complainant unions and refused to enter into a single-union agreement would, in the EETPU's view, have led Hitachi to withdraw recognition from all unions and establish a non-union plant."

Hitachi, then, crystallised a crucial part of the EETPU's whole argument in favour of its strike-free package that, or nothing—no unions at all. Eric Hammond made it clear, too, that the EETPU would rather face possible expulsion from the TUC for refusing to accept the disputes' committee award, if it went against the union, than abandon its deal at Hitachi and the principles it represented.

In the event, he did not have to go that far. On April 11, the TUC made its ruling known to the unions concerned. The EETPU had a sharp ruler across its knuckles: "The EETPU should not have signed the sole recognition and negotiating agreement until the dispute had been resolved, if necessary by TUC adjudication."

Three points

But it was not ordered to abandon the deal. Instead, it had to meet three points: new employees at Hitachi should be advised that they might join a union other than the EETPU, in the case of grievances at the plant involving a member of one of the ousted unions, an official of the union concerned should be able to take the issue up with the company; and the EETPU should establish a body which would allow the ousted unions to relay to the company

through the electricians their views on issues affecting them.

TUC disputes committee awards are binding, and Hammond immediately welcomed the ruling as a vindication of the EETPU's stance. Webb was appalled—so appalled that, on behalf of the ousted unions, he took a step unprecedented in the TUC and tried to appeal against the committee's decision. He challenged each of the three stipulations, arguing in particular that the second was impracticable, since officials from unions other than the EETPU were now no longer allowed on to Hitachi premises at Hirwaun.

Of the third, Webb said in a letter to Norman Willis, TUC general secretary: "The establishment of a body whereby the previously recognised unions submit their views to the EETPU who then consider them before presenting a claim to the employer, must be a potentially unique institution in joint trade union procedures. It is difficult to see how this could work."

But it was not, in any case, the central issue. "The overall problem is, of course, that six unions with legitimate and longstanding negotiating rights have had these removed by an agreement between the employer and another trade union. The disputes committee award does not redress this situation." But Willis was adamant: "There is no appeal against an award of a TUC disputes committee."

So the EETPU had won the first round—but a month later, battle was joined again when Apex, one of the six ousted unions, successfully pressed the TUC at its annual Congress to tighten its regulations on single-union deals.

Hitachi brought out into the open what Acas has called the "cut-throat" fight for membership as union numbers tighten and the prospect of membership gains in areas like the high-technology industries seems to beckon invitingly. But, along with the EETPU, the TUC had had these removed by an agreement between the employer and another trade union. The disputes committee award, if it went against the union, than abandon its deal at Hitachi and the principles it represented.

In the event, he did not have to go that far. On April 11, the TUC made its ruling known to the unions concerned. The EETPU had a sharp ruler across its knuckles: "The EETPU should not have signed the sole recognition and negotiating agreement until the dispute had been resolved, if necessary by TUC adjudication."

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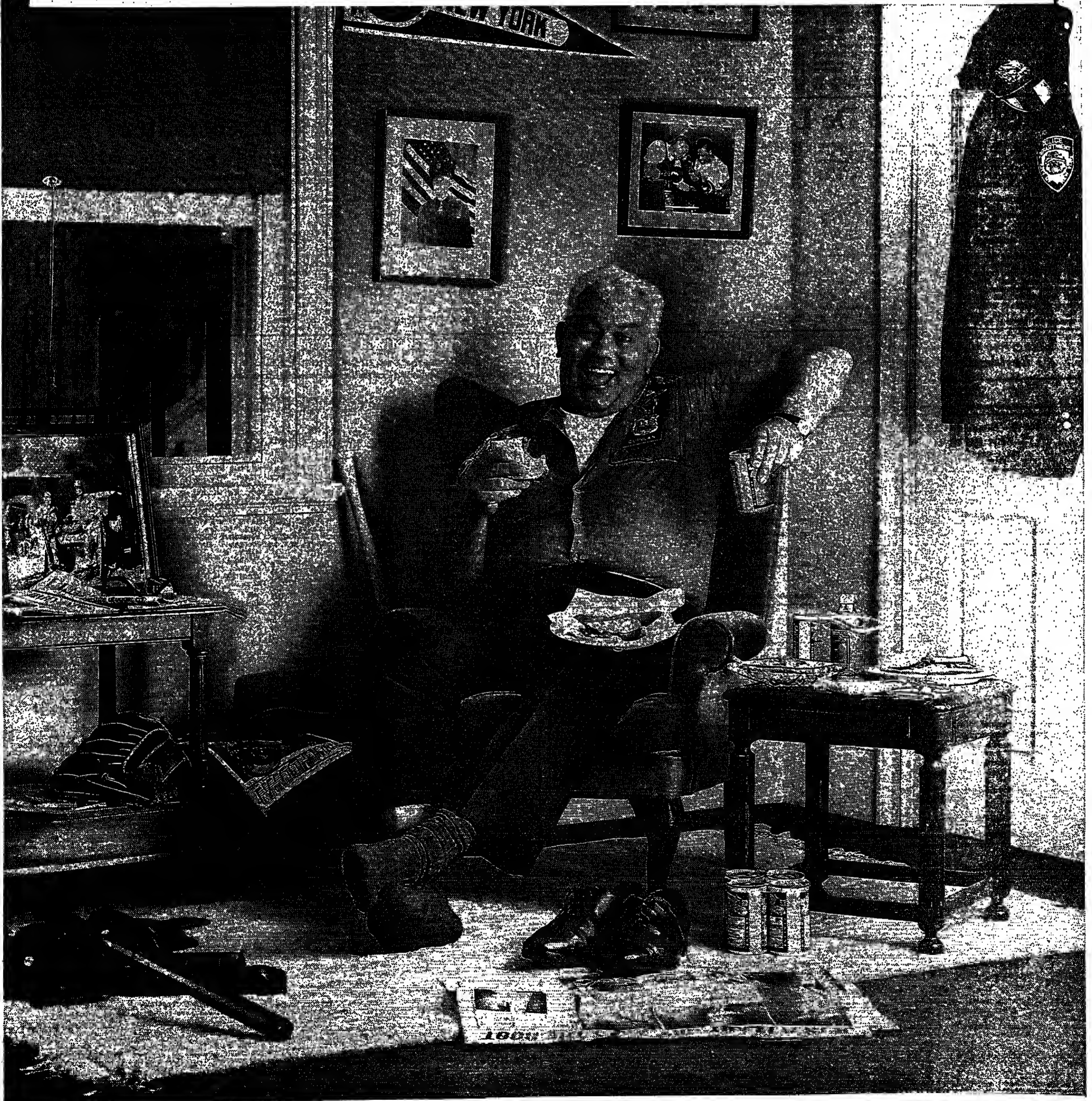
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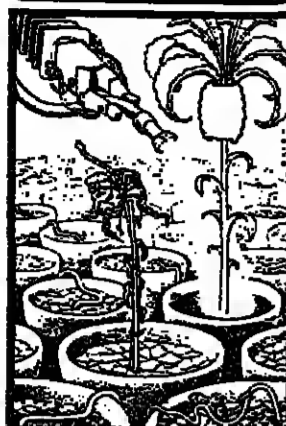
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TECHNOLOGY

Revival of the Fittest



The lightning rise of Europe's largest clothing producer has hinged on advanced automation. Alan Friedman, in Milan, reports.

Mission control for a rocket named Benetton

BEING inside the newly completed and fully-automated Benetton warehouse in the province of Treviso, north of Venice, is rather like finding oneself inside an enormous yellow and red spaceship. An eerie aisle fills the space, 20 metres high and 170 metres long, as computer-controlled robots slide horizontally along Meccano-like tracks, while a dozen mobile lifts stack up to 12,000 boxes of sweaters and jeans a day.

company's profit and loss account, where 1985 net profits leapt 140 per cent to 1,980bn, and in the success of its stock market debut in Milan and London in June. For now Mr Benetton says the technological side of the business is sufficient to meet the needs for expansion. "What we need are more shops around the world and more pieceworkers north of Venice," he says.

company's integrated production, shipping and franchising system. The three key elements of Benetton's advanced technology are its computer-aided design in styling and pattern cutting, its sophisticated international information system and, of course, its automated warehouse.



would say 'Can we do that?' and then we would call in technicians," explains a company director. A Hewlett-Packard 64 megabyte (able to store 64m characters) computer powers the CAD and pattern design system (PDS). Computers are used to lay out patterns for cutting, thus reducing waste material to one per cent. At the drafting board, staff hold "digitiser" electronic pencils in hand and tap in sweater coordinates on to an actual-size matrix. This is then video checked and channelled through to the cutting room, where three automatic and programmed machines (each 20 ft long and 6 ft wide) cut more than 70 full sweaters in eight minutes. The capacity is 15,000 full garments in eight hours.

As important as production is the Benetton data transmission system, which, using equipment supplied by General Electric, provides daily updates on sales and inventory, and is linked to Benetton's 12 most important markets outside of Italy: The US, UK, Ireland, West Germany, Spain, Sweden, Norway, Belgium, The Netherlands, Austria, Switzerland and France.

us back to the space-age automated warehouse, which was built by Fiat's Comau robotics division and also makes use of Allen Bradley numerical control systems. "We have been able to unite the distribution of goods with the flow of orders, rather than keeping the administrative and physical parts separate," explains Mr Giancarlo Chiodini, director of logistics. Mr Chiodini races up and down the four-storey 145m warehouse with the glee of a child who has just received a Christmas present, and reels off details on the warehouse functions.

underground area a labyrinth of other conveyor belts move the goods past lasers which read digital codes in two seconds and accept or reject the merchandise. Mr Chiodini boasts proudly of how "the computers and robots are programmed to know which level to stack the boxes at least 15 hours before the goods arrive here."

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FAR LEFT: Benetton jumpers are dyed by the vat, with computers controlling 270 colours and print combinations. LEFT: Subterranean control room where the vast electronic three-dimensional display monitors the progress of robots. Pictures by Alberto Calcinai.

Quick 'ID' from De La Rue

"ID" CARDS can be produced in under two minutes with a system from De La Rue that uses special film and optical disk recording. The Basingstoke, UK, company is on 0256 29123.

screen. Then, picture and text are recorded on optical disk by a laser that burns tiny unalterable marks on the disk surface. The disk holds 24,000 images.

WORTH WATCHING

Edited by Geoff Charlish

DOCUMENT MANIPULATION by electronics, rather than "pen and paper," is under development by Xionics (a subsidiary of the UK's Smiths Industries) in conjunction with British Petroleum.



The Faergklemann; Thefts from Swedish shops down by 50 to 80 per cent.

completed, will use a single IBM model AT personal computer. Xionics believes other companies will join a chartered users group it has set up, to which the entry fee is £20,000.

Swedes clip shoplifters' wings

SHOPLIFTING has been reduced by 50 to 80 per cent in Sweden, writes Sarah Webb from Stockholm, in stores where Faergklemann is in use.

rooms. More from the company at Regulatorvägen 21, S-141 49 Huddinge, Sweden.

THE AA (Automobile Association) in the UK has the first phase of a £2m "command and control" system in action at its London operations centre in Stanmore, Middlesex.

BAR CODE scanners are to be installed at all 380 UK newsagent branches of W. H. Smith by Datachecker/DTS, the UK point-of-sale division of National Semiconductors in the US.

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FT COMMERCIAL LAW REPORTS

Floating charge crystallises by agreement

RE BRIGHTLIFE LTD
Chancery Division
Mr Justice Hoffmann:
July 24 1986.

CRYSTALLISATION OF a floating charge can take place by agreement between the parties to the charge, as well as by rules of law and where a creditor, before commencement of winding-up, effects crystallisation in accordance with the terms of a debenture, the charge thereby fixed in his favour takes priority over preferential debts in the winding-up.

Mr Justice Hoffmann so held when declaring that a debt owed by Brightlife Ltd to Norandex Inc, an American company, ranked in priority to preferential debts payable by Brightlife on liquidation, including a debt of £70,000 for value added tax, owed to the Commissioners of Customs and Excise.

Section 614 (2) (b) of the Companies Act 1985 provides: "The preferential debts shall ... have priority over the claims of holders of debentures under any floating charge ..."

Norandex said its debenture had priority because it created a fixed charge over most of the assets or, alternatively, because the floating charge over all the assets had become a fixed charge before the resolution for winding-up.

ing charge into a specific charge as regards any assets specified in the notice ..."

Clause 5 was a covenant by Brightlife that it "(ii) shall not without the prior consent in writing of Norandex ... except in the ordinary course of business, ... deal with its book or other debts."

Clause 13 provided that "Brightlife shall execute ... all such ... things as Norandex may reasonably require for ... protecting the security."

Mr Sheldon for Norandex, submitted that clause 3 (A) (ii) (a) created a "first specific charge" over all book debts and other debts. Nearly £18,000 of the assets was derived from book debts. Another £19,000 had been standing to the company's credit at the bank. That, Mr Sheldon submitted, was an "other debt" over which Norandex had a fixed charge and priority over the Commissioners.

The bank balance did not fall within the term "book debts or other debts" as it was used in the debenture. It would not be legally inaccurate to describe a credit balance with a banker as a debt, but that would not be the natural usage for a business account.

Although clause 3(A)(ii)(a) spoke of a "first specific charge" over the book debts and other debts, the rights over the debts created by the debenture were a floating charge.

In Yorkshire Woolcombers [1903] 2 Ch 294 Lord Justice Romer identified three standard characteristics of a floating charge: "(1) ... a charge on a class of assets ... present and future (2) ... which in the ordinary course of the business ... would be changing from time to time; and (3) ... as to the charge it is contemplated that until some future step is taken ... the company may carry on its business in the ordinary way ..."

pany's own account was a hedge of a floating charge and was inconsistent with a fixed charge.

Norandex's alternative submission was that the floating charge was converted into a fixed charge before the resolution for winding-up.

On December 10, 1984 Norandex sent Brightlife notice under clause 3(B) of the debenture of the conversion with immediate effect of the floating charge ... into a specific charge over all the assets of Brightlife ..."

Mr Sheldon relied on the notice under clause 3(B) as having restricted the floating charge over all the assets before the winding-up. Alternatively he relied on the notice under clause 13 as having done so in respect of book debts.

In Griffin Hotel [1941] Ch 129 Mr Justice Bennett decided that priority given to preferential debts applied only if there was a charge still in existence at the moment of winding-up. It followed that if the debenture holder could crystallise his floating charge before the winding-up, section 614(2)(b) gave the preferential creditors no priority.

Mr Mummery, for the Commissioners, said that the events of crystallisation were fixed by law and not by agreement. Those events were (1) winding up, (2) appointment of a receiver, and (3) ceasing to carry on business. Only those three events would cause crystallisation, he said, notwithstanding any agreement to the contrary.

In Edward Nelson [1903] 2 KB 367, 376 Mr Justice Joyce said that "... a debenture does not cease to be a floating security until the company has been wound up, or stops business, or a receiver has been appointed ..."

supplemented by terms implied by the law.

It seemed fallacious to argue that once parties had agreed on terms thought sufficient to identify the transaction as a floating charge, they were then precluded from agreeing on other terms which were not present in the standard case.

Mr Mummery said public policy required restrictions on what the parties could stipulate as crystallising events. A winding-up or appointment of a receiver would have to be noted on the register, but a notice under clause 3(B) need not be registered. The result might be prejudicial to third parties who gave credit to the company.

It was not open to the courts to restrict the contractual freedom of parties to floating charge on such grounds. It was a matter for Parliament rather than the courts.

The notices under clauses 3(B) and 13 constituted intervention by the debenture-holder and there was no conceptual reason why they should not crystallise the floating charge if the terms of the charge on their true construction had that effect.

Mr Mummery submitted that the notice under clause 3(B) was ineffective because the assets over which the charge was to crystallise were not specified in the notice.

The notice said it was to apply to "all the assets of Brightlife ... subject to the floating charge." That was sufficient specification. It was not necessary to list each separate asset.

THE DECISION that the notice under clause 3(B) crystallised the charge made it unnecessary to decide whether the notice under clause 13 did so in respect of book debts, but for the sake of completeness it was held that it did.

The debt secured by the debenture, therefore ranked in priority to the preferential debts in respect of all assets in the hands of the liquidator.

For Norandex: Richard Sheldon (Liquidators and Poinees); For the liquidator: John Vallat (Sprecher Grier and Co.); For the Commissioners: John Mummery (Solicitor, HM Customs and Excise).

By Rachel Davies

Barister

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THE ARTS

Edinburgh Festival/Michael Coveney

Grim tartan dramas

John Home's Douglas in the Signet Library behind St Giles' Cathedral heads the drama programme's contribution to this Edinburgh Festival's "enlightenment" theme...

imitation doric pillars and a softly cherubic ceiling fresco where the muscular attitudes of Ossian's Hall as recorded in the Runicman painting might have been more appropriate...

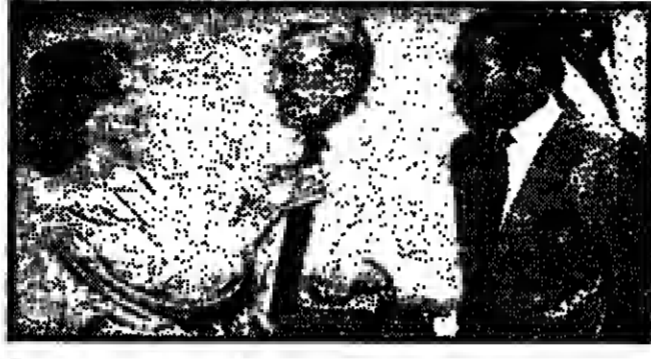
After Douglas the superb exhibition of Scottish painting in the Talbot Rice gallery is an essential Enlightenment antidote. The dramatic artifice of Nasmyth's landscapes, the glowing theatrical compositions of Wilkie's The Penny Wedding and The Cotter's Saturday Night represent the conflicting time colours unrealised in the Signet library.

It's better on the Fringe

I cannot remember Edinburgh being so drenched in sunshine at festival time. The clouds of the Commonwealth games were finally despatched on Sunday afternoon as the opening parade progressed down Princes Street...

flash by his sister provocatively raises her skirts, a pagan procreant with the showers of cabbage leaves slides into a bubble of prayer and a brilliant robotic chorus line of rattling collection boxes.

between Church and State, with Katie Duchêne's somewhat irritating and lumbering Lucy (whom I don't love) persisting in myopic doubts and revu-style put-downs, even as the play drains away like sand between her toes.



The new faces of US television: from top, Bill Cosby's family and the lawyers of Matlock and L. A. Law

American Television/Frank Lipsius

Old timers anew

If the three American television networks were soap operas, they would produce endlessly fascinating episodes. The current story line would involve them all falling victim to takeover bids, and changing the major shows in exactly the same direction as they strive to prop up their falling ratings.

The bright spot of the last year has been The Cosby Show, which in its second season became the most popular series in television history. Its spectacular ratings bailed the steady decline in the networks' total viewership, which is down to less than three-quarters of American households, compared with 95 per cent a decade ago.

Called Our World, it will star a sharp-tongued commentator, Linda Ellerbee, narrating network archival news footage to relive recent history, from the moon shot to the Kennedy assassination. It will be shown at the same time as Cosby, a sign of cost-cutting in a lost cause.

Italian festivals: Ravenna and Montepulciano

The number of festivals in Italy is fast approaching epidemic proportions. Every year some Italian city or town—or village—invents a programme, invites artists, hires a press-agent, sticks posters all over the country, even the Great British Music Lovers, even the most alert critics have to decide how many events they can safely omit from the crammed calendar.

and spacious (built in the 1850s and currently being restored) where last week the festival offered an exemplary production of Mozart's Magic Flute, with a largely young cast.

At the second performance, the tenor Maurizio Comencini announced an indisposition; but in the event he sang with great tenderness and appeal; Martina Muscchio was an equally sweet, attractive Pamina. The ladies—Patrizia Orlandi, Elisabetta Tandura, and Caterina Antonacci—were all singers you would want to hear again.

heavily politicised. Even today, some years after Henze's retirement as active artistic director, it has a strong left-wing flavour; but it has managed to find peace with the local authorities and now seems to lead a fairly confident life. It has a distinct and agreeable personality.

though still lacking in assurance. Best of all was the basso buffo Alfonso Antonozzi; in a role that offers scant theatrical possibilities (it is a watered-down Don Pasquale character), this singer barely in his twenties displayed a charming bag of tricks—use of shadow-figures, mimes, predominantly black-and-white costumes and sets—but imposed a coherence on the whole, and set a pace that was brisk without being brusque.

Michael Coveney

William Weaver

Arts Guide

Musical/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

August 8-14

Theatre

Are You Loose Tonight? (Phoenix): More musical biography with Alan Bleasdale's Elvis Presley show using flashback and excellent live recordings of the rock and roll star to explain how Martin Sheen's magnificently wrecked and flabby King in crushed velvet jumpsuit has raised this pretty pass. Exploitative, but not strictly for tourists. (8362294).

Lead Me A Tenor (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1924. Dennis Lawson and Jan Francis lead an energetic company in mistaken identity romp, while Verdi's Otello carries on regardless. (8371822).

Lennox (Astoria): A not too critical celebration of the life and music of John Lennox that is enjoyable especially for the musical resourcefulness of the cast and Mark McGanna's Lennox. Look-and-sound-alike. (7344297).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with a backstage story in which the songs are used as auditions rather than emotions. (2386200).

La Cage aux Folles (Palace): With some useful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (7512226).

with unbridled enthusiasm throughout. The graduates and senior students of Marika Besson-Brasova's justly reputed Montecarlo school (the Academie de Danse Classique "Piazzesi-Gracie") gave a well-rehearsed and enjoyable programme, with a delightful performance of Graduation Ball. Turin ballerina Gabriela Cobian appeared with ex-Bolshoi dancer Vladimir Derevianko in a pas de deux from the suddenly popular Rosmonda. Despite his temperamental unsuitability to princely roles, he danced with gratifying strength and style.

Central-European International Bank Ltd. Floating Rate Notes 1990. In accordance with the provisions of the Agent Bank Agreement between Central-European International Bank Ltd. and Arab Banking Corporation - Dana & Co. GmbH dated July 17, 1984, notices are hereby given that the Rate of Interest has been fixed at 9 1/4% per annum and that the interest payable on the relevant Interest Payment Date, February 13, 1987, against Coupon No. 5 in respect of U.S.\$ 10,000 nominal amount of Notes will be U.S.\$ 241.81 and in respect of U.S.\$ 25,000 nominal amount of Notes will be U.S.\$ 604.51. London, August 13, 1986.

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NILFISK THE WORLD'S LARGEST MANUFACTURER OF INDUSTRIAL SYSTEMS

NEW YORK Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T.S. Eliot's children's poetry set to trendy music is visually startling and choreographically fine, but classic only in the sense of a rather staid and overblown idea of theatricality. (2396222).

CHICAGO Pump Boys and Dinettes (Apollo Center): Fascinating look at country music and down-home country life with a good beat and some memorable songs, especially one played on kitchen utensils has proved to be a durable Chicago hit. (9719220).

NETHERLANDS Amsterdam, Carré Theatre. China's Peking Circus (all week except Mon, matinee Sat, Sun, Wed). (225225).

Freda Pitt

FINANCIAL TIMES

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Wednesday August 13 1986

Accountants face reform

THE accountancy profession is probably the largest vendor of financial services in Britain. All companies, after all, are legally obliged to purchase the services of accountants because of the statutory requirement to have their books audited every year. Yet, while the regulation of the rest of the financial services industry has been overhauled in the past few years, the accountancy profession has been left to its own devices. This splendid isolation ended abruptly yesterday when the Department of Trade and Industry issued a surprisingly tough consultative paper on the regulation of auditors.

The DTI's sudden interest in accountants has a mundane explanation. It has published the consultative paper at the last possible moment in order to be in a position to comply with the EEC's eighth company law directive, which was agreed in 1984 and is due for implementation in 1988. The slowness in bringing out the directive will not take effect in the UK until 1990, two years after the target date.

The directive is worded sufficiently vaguely that Britain can probably meet its requirements without significantly reforming the existing regulatory framework. The DTI, however, is arguing that implementation of the directive gives the UK an opportunity to modernise its approach which should not be missed.

The present regulatory systems dates from the 1940s; some elements, for example the rule that incorporated companies cannot act as auditors, date from the 1920s. The business and financial environment has altered out of all recognition in the past 40 years. It would not be surprising, therefore, if some edification on the part of accountants were now necessary.

Financial services

The most important reforms now required are to ensure the independence of auditors. Small partnerships which once did little other than audit work have grown into huge multi-disciplinary firms offering a wide range of financial services to companies. Audit work now provides less than 50 per cent of the fee income of some large firms. In many instances firms which are auditing the books of companies on behalf of their clients are also acting as management consultants to the directors.

Malaysia chooses common sense

WHEN Dr Mahathir Mohamad, Malaysia's Prime Minister, called a snap general election last month, his country's prospects and his own future looked bleak.

Falling world commodity prices had pushed Malaysia's terms of trade so far into reverse that the country's economic growth, which had been looking likely, Islamic fundamentalism appeared on the verge of making significant political gains while the country's economically powerful minority was becoming increasingly frustrated at its diminishing political role.

The Government, meanwhile, was still shadowed by the scandal surrounding the state-owned Bank Bumiputera, formed to foster Malay economic development, which lost \$1bn in loans to Chinese property speculators in Hong Kong. There was a strong suspicion of corruption and, for the first time, Dr Mahathir's own position appeared seriously in question. His long-serving deputy, Detik Musa Hitam, resigned to distance himself, apparently a shrewd move.

As it turned out Dr Mahathir's electoral gambit proved to be a total success, which has silenced his critics—at least for the time being. Final results of the election, held earlier this month, showed the 13-party National Front, which has ruled Malaysia since independence in 1957, winning a landslide. It has taken 148 of the 177 parliamentary seats and won the legislative assemblies in all 11 west Malaysian states.

Commodity trap

The crushing defeat of the Party Islam, which won only one seat, has allayed fears of an imminent resurgence in Moslem fundamentalism.

Dr Mahathir's own position now appears unassailable in spite of a drop in the National Front's share of the popular vote and it would be tempting to see the Prime Minister savour his triumph for a time. It is not Dr Mahathir's nature to be complacent, however. The election result may have given him some personal elbow room but it did nothing to solve Malaysia's deeper problems which he must now tackle with the help of his powerful mandate.

In one particular case, the growing racial polarisation in the country, the election may, in fact, have made matters worse as the Chinese (34 per cent of the population), Malays (48 per cent) and Indians (9 per cent) retreated into their respective political laagers.

The highest challenge facing Dr Mahathir is to break Malaysia free from the commodity trap, a predicament his country shares with many others in the developing world. As the Prime Minister recognises, Malaysia has become dangerously dependent on the sale of commodities.

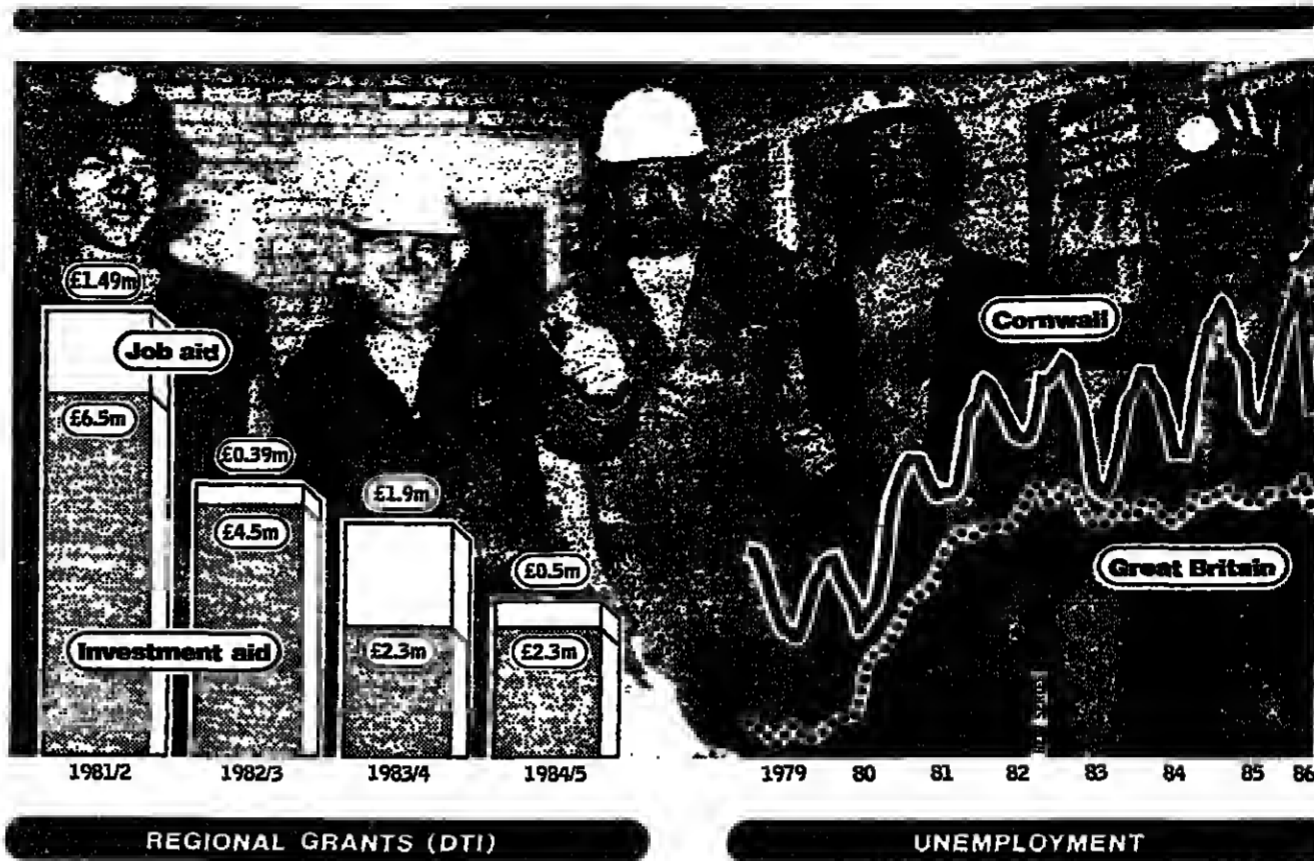
Malaysia's industrial sector, on the other hand, is too weak to compete effectively and make use of the foreign investment, especially foreign money, is discouraged from committing itself to Malaysia because of an economic policy designed not to generate surprises is to be speeded up. Dr Mahathir might start by casting a critical eye at his beloved Malaysian car project.

Dr Mahathir has also indicated that foreign investors are no longer bound by the rule which requires all projects to have a minimum 30 per cent Malay shareholding. In effect shelving one of the central pillars of the New Economic Policy (NEP) which seeks to transfer one-third of the country's wealth to the Bumiputras, or "sons of the soil," by 1990.

The NEP may once have been politically necessary to dampen Malay resentment against foreign and Chinese economic supremacy, thus increasing racial tensions. But, over the years, its arbitrary nature has discouraged economic growth by frightening away investors who were otherwise keen to capitalise on Malaysia's strategic location, its low wages and relatively high skills.

THE CORNISH ECONOMY
Granted: a stay of execution

By Fiona Thompson



Source: DTI

Source: Manpower Services Commission

THE GOOD news was whistled 1,500 feet underground at the Wheal Jane tin mine last Friday, letting the men know their jobs were saved. The rest of Cornwall is left waiting in the dark, waiting to hear how the county's economy might be raised from the pit of recession.

On the surface, the Government, with its 265m package of loans and guarantees for the Wheal Jane and South Crofty mines, may have been seen to grant Cornish tin mining a reprieve from extinction.

The view from the far side of the Tamar is less rosy. The rescue act involves a mere remnant of an industry, already shrunk out of all recognition. One thousand jobs may have been secured; but tens of thousands have been lost and forgotten over the decades of decline.

Two tin mines will survive, but Cornish factories and workshops, and desperately needed jobs in other industries, have been vanishing, apparently for good and all, without let-up.

Cornish mackerel have been fished by outsiders and the cream has been skimmed from the holiday trade. Even the weather has been lousy. No wonder Cornwall is depressed.

There is a feeling of frustration and impotence in the county. The Cornish are fed up with, as they see it, being lumped in with the prosperous south-west in the nation's mind.

The region as a whole has one of the country's lowest levels of unemployment at 12 per cent, but Cornwall's in January this year was 20.5 per cent—or about 30,000 registered unemployed. The male jobless rate in June reached 22.9 per cent in the linked towns of Camborne and Redruth, and 23.4 per cent in Falmouth, the county's employment blackspot.

And although the south west is second only to the south east in terms of total personal income and spending power, Cornwall consistently ranks towards the bottom of county incomes and earnings league tables.

White news of the £25m aid package for the mines was greeted in the affected areas with what can only be called euphoria. It is clear that the aid can do little to tackle the underlying structural problems in the Cornish economy.

Mr Dave Pattinson, a principal planning officer for a population of 440,000 and 11 districts with an assisted area status, receives an estimated £10m-£15m in government aid. Though this does not appear out of line on a per capita basis with funding over the same period for the Welsh Development Agency (population 2.8m, aid £31.5m) and the Scottish Development Agency (population 5.1m, aid £137.2m), Cornish officials repeatedly complain at their lack of a development agency. The special incentives Cornwall could then offer prospective new businesses would be clearly welcomed.

Not for Camborne the promotional balloons flying over Milton Keynes. "Some areas spend more on advertising than our entire budget," said Mr Davey.

Though MPs have pressed for a development agency to be set up, in this, as with other issues, there can be no denying that Cornwall lacks political clout. It sends to Westminster only five MPs.

Their success in lobbying the Government over the tin issue, if indeed the decision can be put to their credit, cannot guarantee the long-term future of an industry which has a piece in Cornish hearts out of all proportion to its true contribution to the economy in terms of jobs and its output.

Camborne, which grew up as a mining town, still gives pride of place to a statue of Richard Trevithick, the pioneer of steam power. Its school of mines enjoys an international reputation. And there are still plenty of people about who talk of the days when locals could climb the 749 ft Carnhare Hill, overlooking Camborne and Redruth, and count 100 mines at work.

Today, on every horizon, there is a gaunt, roofless engine house with its crumbling chimney stack, relics of an industry that has run out of steam.

When Mr Paul Channon, the Trade and Industry Secretary, announced the aid package for Rio Tinto Zinc, the multinational natural resources group which owns the Wheal Jane and South Crofty mines, he said there were excellent prospects for securing the tin industry for the foreseeable future.

The mines are at the moment

receiving about £3,700 a tonne for 3,600 on operating costs of £8.60 a tonne, following last October's default of the International Tin Council and the subsequent collapse in prices from just over £8,500 a tonne. Rio Z's modernisation programme assumes costs will be cut to between £5,100-£5,300 and that the world tin price will recover to perhaps £8,000 in ten years.

Mr Channon, though noting "exceptional circumstances" such as Cornwall's high level of unemployment, stressed that the main reason for granting the aid was the project's viability. But there must be some doubt about the Government's assertion that the world price will recover, at least in the time span envisaged, when other countries, too, are supporting their uneconomic tin mines and when 100,000 excess tonnes of tin are still in the market.

What is not in dispute is the effect, both economic and psychological, which the closure of the two mines would have had on the south west of the county, where entire communities depend on mining and where few other jobs exist.

"If the mines had gone it would have taken the male jobless rate for the Camborne/Redruth and Falmouth area to 30 per cent," said Mr David Penhaligon, the Liberal MP for Truro. The loss of the underground miners' wages—at £250 to £300 a week, high by Cornish standards—would have had a devastating effect on shops and service industries.

But what sometimes appears to be lost sight of is that only about 640 miners jobs and perhaps a few hundred more at supplier companies will be saved.

Despite the emphasis placed on the tin industry, in fact the biggest private sector employer is English China Clay, with 6,000 employees, though it, too, has shed labour as higher productivity has been demanded and achieved. The spoil heaps remain, a range of alien foothills—some bare, others covered in scrubby greenery—looming over the approaches to the town. The waste of Cornwall's potential workforce is not so obvious, but it is no less of a blight.

The recession has hit Cornwall's engineering industry hard. Manufacturing industry's share of the total workforce has dropped from 18 per cent to 15 per cent since 1979 and is diminishing all the time, according to Mr Colin Griffin, the county planning officer.

A drive through the town's Pool Industrial Estate highlights the decline in manufacturing industries. "There are five cash-and-carry warehouses, a skill centre, two bakeries, one signwriter, a crafts workshop, a heavy goods vehicle driving test centre, glass, timber and ladder merchants, a Ford motor dealer, and one die-casting engineering works."

Falmouth has still not recovered from losing 1,000 jobs in the docks in the early 1980s. British Shipbuilders' cuts in the yards left only a few hundred employees, the shops have crawled back to 450 now.

Hopes are still held that the long mooted £78m privately-funded container terminal for the port will go ahead.

Cornwall has also seen a tremendous reduction in its agricultural labour force and in the number of working farms over the past 10-20 years, with some farmers becoming disillusioned and their smaller neighbours being squeezed out.

"We had 5,500 full-time farmers last year, probably half of the number farming when I came here over 20 years ago," said Mr Tony Robathan, secretary of the Cornish branch of the National Farmers' Union. In addition, there were 2,000 part-timers and a farm workforce of 3,900 in 1985.

Output was £219m last year, of which milk at £74.5m and cattle at £77.4m were by far the biggest earners. EEC milk quotas caused widespread panic when imposed in April 1984, and though some farmers "haven't done too badly, others feel hard done by, they feel their quotas were far too small," said Mr Robathan.

The fishing industry, of great importance to parts of the county, is feeling particularly beleaguered. Cornwall's fleet, which includes everything from distant water bulk-catch vessels to tiny 16 ft boats, has decreased drastically in the last 10 years. The Common Fisheries Policy with its restrictive quotas has not helped, according to Mrs Daphne Lavry, secretary of the Cornish Fish Producers' Organisation and the Cornish Fishermen's Federation, which represents 200 skipper owners with 220 boats.

"The south-west fishing industry represents one quarter of the total British industry, the quality quarter too. We need to ensure that we get our fair dues under the EEC," she says.

Mackerel, the backbone of Cornwall's fishing industry, was wiped out three years ago because of massive overfishing by mainly Scottish bulk catchers. The EEC then imposed a three-year conservation "box" prohibiting bulk catching of mackerel which covers all of Cornwall's waters.

Nevertheless, the very qualities which have traditionally attracted tourists to the peninsula are also responsible for the steady influx of outsiders choosing to settle in Cornwall, in search of country living and, in some cases, early retirement homes. The population has grown by almost 50 per cent in the last 25 years and continues to increase at a rate of 6,000 a year.

The pity is that Cornwall is less attractive to employers than other counties.

The year the weather has been particularly unkind to the tourist industry, already seen to be hampered by a lack of country-wide policy making which pits resorts against each other in a competition against Devon or Dubrovnik—is competition for holidaymakers.

Tourist providers work for 20,000 people—its seasonal nature causing the roller-coaster fluctuations of the employment graph—and contributes £250m to the county's economy. But business in 1986 is already slumping by at least 15 per cent on last year's figures. It never rains but it pours.

Playing for high stakes

Sir John Collyear, chairman of A.E., has become philosophic about the repeated take-over speculation surrounding his high technology engine components group.

Speaking from the London offices of adviser, Hill Samuel, about the improved offer from Turner and Newall, he likens Britain's attitude to manufacturing industry, and the position of his company, to a game of Monopoly.

"We have taken a long-term view, seeking an international strategy and investing in research and development. We are taking on the Japanese and the Germans and winning market share." He argues that it would be possible to change that strategy and show higher profits for a short period—say three to four years.

"It seems a peculiarly British attitude that the short-term view is taken. Across the Monopoly game board we face Germany, France, and Japan. But every time we pass Go we have to show an audit and the banks may choose to shift their money elsewhere. Meanwhile, our competitors are free to pursue real growth."

Collyear, who successfully staged a defence against GKN two years ago, says countering the Turner and Newall bid has been a seven-day-a-week job over the past two months. He returns tonight to his home in the Cotswolds but has had little time for his favourite recreation—playing a Steinway grand piano.

Men and Matters

After the successful introduction of five quiet zones" last summer—including one in Central Park's sheep meadow—the city fathers have added another batch of boom-box-free areas in 10 public parks and beaches.

"Nature needs no amplification," declared parks commissioner Henry Stern, noting that the existing radio-free zones had become overwhelmingly popular.

In the past year, just nine summonses—each carrying a \$50 fine and the threat of equipment confiscation—have been issued for violations. "The only thing people have complained about was that there wasn't a radio-free zone in their neighbourhood park," said Stern.

The newly established "quiet zones" in parks and beaches across New York's five boroughs should help solve that problem. But for boom-box owners the message is at least as loud and clear as their amplified music—use headphones or leave the equipment at home.

Suez passage

Renand de la Geniere, the erudite crusty ex-governor of the Bank of France who has just appointed chairman at the state-owned Compagnie Financiere de Suez group, appears to be quickly making his mark in his new surroundings.

De la Geniere, during his years at the central bank, gained a reputation for lecturing the Government on the virtues of sound money. But now that he has made the jump to a commercially operating organisation—and one near the top of the groups to be privatised—he is trying to tone down his stern image.

Since the end of last month, he has been poking his head persistently around doors in the city fathers to introduce himself to staff.

De la Geniere, a confidant of Prime Minister Jacques Chirac, headed the Bank of France for five stormy years under both left and right wing administrations. And he is now making the best of a month-long period of "cobabitation" with the previous Suez chairman, Jean Peyrelade, the Socialist who helped steer through the 1981 nationalisation programme. Peyrelade still maintains an office both at Compagnie Financiere and its banking subsidiary, Banque Indosuez, of which he remains chairman until the end of the month.

Although some have questioned whether a central bank mandarin is the best person to lead Suez back into the private sector, de la Geniere is expected to give the group greater clout on the international financial circuit.

One possible source of tension will be his relationship with Antoine Jeancourt-Galignani, 49, the free-wheeling managing director of Banque Indosuez, who had been hoping to succeed Peyrelade as the bank's chairman.

Like de la Geniere, a graduate of the elite Ecole Nationale d'Administration, the civil service training school, Jeancourt-Galignani looks likely to have to wait for another round of musical chairs in the Suez boardroom after denationalisation.

age of 30. Then he lost it in the Marxist revolution.

He started again in New York and now runs the first Indian restaurant group to be quoted on Wall Street (it came to market last month).

His Bombay Palace Restaurants company is turning over \$16m a year while his privately-owned businesses, including hotels and Mexican restaurants, are turning over a further \$8m.

Chatwal's success is just the start of his dream of a worldwide chain of ethnic food restaurants. He has opened his latest, the Bokhara specialising in Indian "northern frontier food," in Regent Street, London, this week.

And his carefully-researched plans call for the group to open one new restaurant a month in a growing international chain. Each of his restaurants is designed to a formula to turn over between \$1m and \$1.5m a year.

Finding the cash for expansion is no longer a problem, he says, since going public in the US. He looks back wryly to his position three years ago when, financed almost wholly by Indian banks and paying by Indian interest rates, he was struggling to service the debt. "It almost killed me."

Chatwal wants to go public in London on the USM next year with a second company to run his European and Canadian restaurants.

The secret of his close control of a restaurant chain that already stretches from Hong Kong round the world to the US is, he says, handling data daily by computers. By lunch-time each day he knows in New York exactly how many meals he sold worldwide the previous night, and how much profit was made on them.

Fast and loose

Sign in the window of a Brooklyn tailor's shop: "Need a new suit quickly? See our wide variety of suits that are ready-to-wear without fitting."

Faster food

Former Indian naval fighter pilot, Sant Chetwel, aged 39, made one fortune as a restaurateur in Addis Ababa by the

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THE Panama Canal has become rather like a grand village...

Completed in 1914, the canal is one of the most remarkable feats of 20th century engineering...

As befits a study that involves so many imponderables about world trade patterns, the evolution of technology, new transport systems and long-term strategic needs...

Tokyo and Panama City have fairly clear priorities. The Japanese, who account for one-third of all canal traffic...

But the US, which spent \$344m in 1914 prices to build this vital strategic waterway and will continue to own it...

Under that treaty, the waterway is run by the Panama Canal Commission, an agency of the executive branch of the US Government...

From deep water to deep water the existing canal is 51 miles long. Vessels are raised in three steps to the level of Gatun Lake...

It can handle up to 42 vessels a day; but the current average is 33, slightly up on last year when it was used by a total of 11,654 ships...

The present structure has one serious limitation: it cannot accommodate vessels over 65,000 tons. Supertankers and

THE PANAMA CANAL
Uncertainty in the isthmus

By Robert Graham, Latin America Editor

large bulk carriers are therefore eliminated as potential users, as indeed are large aircraft carriers.

Over the years improvements and refinements have been introduced. But one major improvement is outstanding: a \$530m investment in widening the narrowest point of passage, the Gaillard Cut...

The age of the installations, especially the locks, poses a further problem. Built with turn-of-the-century technology, they are becoming more and more difficult and costly to maintain...

There are four options for the future of the canal, according to Mr Fernando Manfredo, deputy administrator and senior Panamanian on the board of the canal commission...

1-To build a sea-level canal. 2-To enlarge the existing canal with more locks. 3-To improve the canal alongside, upgraded rail and road facilities.

By far the most ambitious and controversial option is the construction of a sea level canal. In effect, it would mean slicing a huge ditch through thick jungle and hilly terrain...

The second option, constructing extra locks within the framework of the existing canal, is a far less costly proposition. But a decision will require a fairly accurate projection both of the volume of goods using the canal during the next century, and the form in which they will be carried.

Experts in the Canal Commission are extremely uncertain whether the volume of shipping using the canal will expand in the next century.

defence considerations lurk behind all four options - even the case where nothing is done save retain the existing canal. The US is reluctant to support the cost of canal operations without some form of defence arrangement...

Almost 70 per cent of all traffic through the canal still originates in or ends up in the US. During the Second World War 24m tons of military supplies passed through the canal; in the course of the Korean War 12m tons transited; while during the Vietnam War, it was the main passage for most supplies.

The question of ownership and protection of a sea level canal must also be dealt with. After struggling to gain sovereignty over the existing waterway, Panama is reluctant to countenance another canal which it does not control.

For the US (which maintains 10,000 troops in Panama), defence considerations lurk behind all four options - even the case where nothing is done save retain the existing canal.

years by the introduction of a trans-isthmus oil pipeline carrying North Slope Alaskan crude. This has been kept low in order to retain custom - there has been only one increase in seven years...

The other imponderable concerns the nature of transport and of the goods themselves. The biggest change has been in the switch to container vessels. Fifteen years ago, 137 vessels classified as containerships crossed the Panama Canal...

These questions are more easily raised than answered. But Mr Manfredo believes the existing canal has a future. He discounts sea-level canals and extra locks. "I see a multi-modal system of transport in which the canal would be the central part of the system."

Obviously the least attractive proposition for the Panamanians is that they be left with the existing waterway unchanged. But that could happen because of the way treaty regulates the Commission's finances.

Despite this, Panamanians are confident the US will accept the value of the canal as a working proposition.

The attraction of the third option, the canal as the central feature of multi-modal transport system, is that initial outlay could be modest, and the project adapted more easily to changing demand.

Because of similar biases it is likely that producer price inflation in other countries outside the US is lower and industrial growth higher than the official figures show.

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Sterling exchange rate

Strong nerves needed

By John Muellbauer

SAMUEL BRITTON (August 7) is dismissive of my comment (Oxford Economic Policy Review, autumn 1986) that UK international competitiveness was 23 per cent less in 1984-85 than in 1975-79...

My proposition that the exchange rate "needs to be set on a firmly declining path" is seen as "the British economic establishment at its worst."

Within current policy parameters, which exclude Mr Britton's proposal, the main glint of hope in what seems an increasingly desperate economic situation is that the Chancellor will have nerve strong enough to allow sterling to fall further...

The reasons are as follows. First, the UK inflation situation is better than it seems. This is implied by the empirical model of UK manufacturing discussed in my Oxford Review article.

Because of similar biases it is likely that producer price inflation in other countries outside the US is lower and industrial growth higher than the official figures show.

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Second, many foreign exporters to the UK have high enough profit margins to absorb most of the proposed decline in sterling without raising prices. Third, some cost-reducing effects from the declines of the dollar, fuel and raw material prices have yet to feed through and the dollar may decline further.

Fourth, with recent falls in labour utilisation, a stimulus to output would reduce short-run unit labour costs because extra output can be produced with the existing workforce.

One of the benefits of lower interest rates would be on inflation. Another is for next year's public sector borrowing requirement. Yet another important benefit would be a higher rate of manufacturing company liquidations which has continued to grow despite the partial recovery of output in 1981-85.

But that, no doubt, is more than one can hope for. However, on its own wage restraint would take years to have a significant effect on UK international competitiveness.

There is one danger of which Mr Lawson should be aware. Just as some of the world and UK slowdown in industrial growth in the last year was a statistical illusion, so some of the likely speed-up in the next year will look better than it really is.

In contrast, if he gets a major part of the required depreciation out of the way now and signals the new target rate of sterling, he will generate a flood of Japanese and US buyers of gilts taking advantage of high UK yields.

The author is a Fellow of Nuffield College, Oxford.

Why Mr Lawson ought to get depreciation out of the way now

for the possibility in current circumstances of depreciating the currency without causing much inflation.

The most powerful argument of all is that whatever Mr Lawson does, over the next year or two the foreign exchange market will force sterling down.

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A US ship moves through Gaillard Cut on its transit of the Panama Canal.

Taxing Finance Act

From Mr P. Cooke

Sir, I must echo Nick Bunker's comments in his article (August 11, Lawson taxes accountants' patience - he certainly succeeded in taxing mine! We do indeed have an Act of monstrous proportions and complexity...

Many of the problems associated with fiscal legislation derive from the fact that it has for far too long been considered appropriate to deal with detailed technical changes in the same Bill as that which implements more sensitive budgetary policy.

Autumn Bill devoted to technical amendments and as many as six new clauses were added to this year's Bill (many of them on the nod) during the final day's proceedings.

I would also add my voice to the further complaint that the legislative process is being greatly abused by the ever increasing use of regulations which are brought in by statutory instrument.

From the Chairman of the Society of Pension Consultants Sir, Mr Wynn (August 7) writes that leaving pension benefit design to market forces and creativity of actuaries has in practice resulted in designs which he deems unsatisfactory to all. This is not so.

From the Chairman of the Accounting Standards Committee Sir, The chairman of the Accounting Standards Committee has suggested (August 7) that the reason why the business community other than the accountancy profession has rejected reform of historical cost accounting is based on nothing more subtle than the

Letters to the Editor

fact that hitherto most versions of current cost accounting reported lower profits than does historic cost accounting. Mr Wynn makes the mistake of believing that a money purchase benefit design will be satisfactory to all employees.

Companies published accounts are primarily intended, both in practice and by statute, for their shareholders and debenture holders as investors.

CCA may well be a useful management tool. But however much it is refined (or simplified), it will inescapably remain too subjective to be worth inflicting upon investors - or financial commentators.

A warning to all From the President, Society of Pension Consultants Sir, Mr Wynn (August 7) writes that leaving pension benefit design to market forces and creativity of actuaries has in practice resulted in designs which he deems unsatisfactory to all.

From the Chairman of the Accounting Standards Committee Sir, The chairman of the Accounting Standards Committee has suggested (August 7) that the reason why the business community other than the accountancy profession has rejected reform of historical cost accounting is based on nothing more subtle than the

benefits of early leavers - presumably the category of employee who has found scheme design unsatisfactory. Mr Wynn makes the mistake of believing that a money purchase benefit design will be satisfactory to all employees.

The plight of pensioners who retired 10 years ago from schemes which had still retained a money purchase benefit design is a warning to all who consider it a satisfactory design to provide retirement income after a long career.

From the Director and Chief Executive, National Engineering Construction Employers' Association Sir, Having read the article by Samuel Britton which supported a proposal to combine tax concessions on profit related pay with a severe tax on pay increases above a 2 per cent norm...

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earnings, which means that all employers are committed to apply nationally agreed increases, irrespective of their individual profitability. Any attempt to impose severe tax penalties on excess increases of 2 per cent which were not profit related, would undermine our ability to preserve an agreement at National Level.

The Government's consultative documents on profit related pay and this latest idea both seem to assume that all wage bargaining is or should be carried out at company or establishment level and to ignore the very real need in some sectors for national bargaining.

Shoes are not Victorian From the Secretary, Director Trade, British Footwear Manufacturers' Federation Sir, It was disappointing to read the comments in your Company News columns (August 6) attributed to a company chairman that "most shoe manufacturers are still living in Victorian times."

Profit related pay From the Director and Chief Executive, National Engineering Construction Employers' Association Sir, Having read the article by Samuel Britton which supported a proposal to combine tax concessions on profit related pay with a severe tax on pay increases above a 2 per cent norm...

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Sanctions cloud has golden lining

Jones explains how bullion may help South Africa to survive boycotts... SOUTH AFRICA may turn out to be a principal beneficiary of the fears which have been sparked by the sanctions campaign against it.

Mr Don Mackay-Coghill, architect of the kruggerand's international success, is to move to Perth to develop a rival gold coin and jewellery marketing operation for the Western Australian Development Corporation.

and to handle the repayments already agreed on debts affected by the sanction. By 1988 the country's foreign debt should be down to manageable proportions, Mr Brown said, with most held by European banks which are believed less likely than their US counterparts to pull out the rug under South Africa's feet.

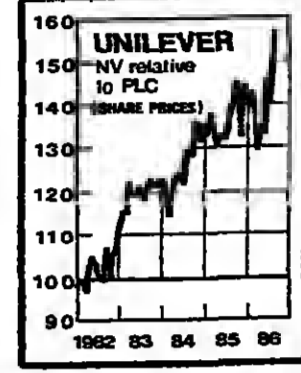
held by the South African Reserve Bank have been cut by a quarter - from 4.84m ounces at the start of the year to 3.67m at the end of July - as weak prices have compelled South Africa to ship bullion abroad to top up the value of the approximately 10m ounces held by foreign banks participating in gold swap deals.

NZ defiant after US cuts defence links

By Dai Heyward in Wellington and Louise Kehoe in San Francisco... MR DAVID LANGE, the New Zealand Prime Minister, declared yesterday that his country would not be deterred from its anti-nuclear policy, despite the withdrawal of US security commitments under the 30-year-old Anzus defence alliance.

The bank that likes to say 'no'

Having decided, contrary to the opinions of maverick investors, that the TSB group is not a state-owned asset, those responsible for the flotation have still humbled it with the kind of arbitrary limitations previously reserved for privatisations.



approval, to set up its own market on the Reuter screens. To the extent that the stock exchange initiative will make a noticeably illiquid market less treacherously, it should be welcomed.

Perpetual floater for Hydro-Quebec

By Clare Pearson in London... HYDRO-QUEBEC, the Province of Quebec's electric utility and Canada's second largest company in terms of assets, yesterday became the first corporate borrower to issue perpetual debt in the Euro markets.

UK accountants hostile to plan for changes in audit rules

BY LIONEL BARBER IN LONDON... BRITISH ACCOUNTANTS reacted with a mixture of scepticism and outright hostility yesterday to a UK government consultancy paper proposing wide-ranging changes in the regulations of auditors.

Turner & Newall raises AE bid

BY LIONEL BARBER IN LONDON... TURNER & NEWALL, the British mining, automotive and engineering group, yesterday raised its bid for AE, the motor components concern, by \$50m to £247m (\$365m) and declared the offer final.

Botha poll warning

Continued from Page 1... freedom, justice and order we will survive them. "Not only will we survive; we will emerge stronger on the other side."

Rate hopes aid equities

Continued from Page 1... Drew in London, believes that the markets may be disappointed in their expectations of interest rate cuts, but notes that they may be registering the feeling that the period of disinflation now is coming to an end.

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TSB sets share terms

Continued from Page 1... accounts, to police the issue and eliminate multiple applications. "We have set up very rigorous systems indeed to prevent multiple applications getting through and the TSB is reserving the right to prosecute offenders," Mr Clegg said.

Iraq attacks oil tankers

Continued from Page 1... for an expected autumn ground offensive against Iraq. Last Thursday a successful attack against Kharg Island left six out of 10 berths at Kharg out of action.

Rate hopes aid equities

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Table with 10 columns listing financial indicators: Altex, Algeria, Amsterdam, etc., with values and change indicators.

Table with 10 columns listing city weather: Helsinki, Helsinki, Helsinki, etc., with temperature, humidity, and conditions.

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Iraq attacks oil tankers... for an expected autumn ground offensive against Iraq. Last Thursday a successful attack against Kharg Island left six out of 10 berths at Kharg out of action.

THE GOOD NEWS IS FERRANTI SELLING TECHNOLOGY... Ferranti Defence Systems, Electro-optics Department, has secured a contract worth £250,000 to supply Aeromet of Tulsa, Oklahoma, with a number of specialised mirror systems for use in high altitude atmospheric research in America.



Wickes sweetens bid for Owens-Corning Fiberglas

BY PAUL TAYLOR IN NEW YORK

WICKES COMPANIES, the US building products and retailing group, yesterday launched a sweetened \$74-a-share or \$2.1bn hostile cash tender offer for Owens-Corning Fiberglas.

The Santa-Monica, California-based group, whose initial \$70-a-share friendly takeover bid was rebuffed by Owens-Corning's management, said it is seeking to buy all of the 91.5 per cent of the Owens-Corning shares it does not already own. Wickes has already built up a 2.53m share, or 8.5 per cent stake in the target.

On the New York Stock Exchange yesterday investors bid up Owens-Corning's share price to \$79.4, up from \$61.10 days ago before the initial Wickes bid and well above the tender price indicating speculation that stock traders expect further offers to drive up the bid price. Owens said yesterday that its board would "study" the Wickes offer.

The offer came late on Monday after initial talks between the two companies apparently collapsed. Owens-Corning's primary products include fibreglass materials, polyester resins and composite materials used in construction, cars and boats. It is believed to have told Wickes that it wished to remain independent but was willing to consider the sale of certain assets such as its aerospace technology company bought last September.

Wickes, which hid unsuccessfully for the Dallas-based National Gypsum earlier this year, apparently said it was only interested in buying the whole of Owens-Corning and would not consider selling its stake back to the company at a profit.

Wickes reported net profits of \$28.1m on sales of \$2.8bn last year but has been expanding its operations rapidly, including the acquisition of Gulf & Western's consumer and industrial products group in last autumn. It is believed to have an acquisition cash war chest totalling about \$1bn.

After filing for Chapter 11 protection from its creditors in April 1982 when it reported a \$143.5m loss, the company has bounced back into profitability and emerged from bankruptcy court proceedings at the start of last year.

The acquisition of Owens-Corning, the world's leading manufacturer of fibreglass products, would represent a major coup for Wickes.

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Veba lifts profits despite sales drop

By David Brown in Frankfurt

VEBA, the West German energy conglomerate in which the Bonn Government hopes to privatise its 25 per cent shareholding next year, has reported improved profitability in the first half to end-June.

The group - one of Germany's largest in terms of turnover - raised after-tax income to DM 393m (\$146.3m) against DM 295m during the same period a year earlier.

The improvement came against the background of dropping sales, mainly because of the lower US dollar exchange rate, and the fall in crude oil prices, but also the disposal of operations by the chemicals division last year.

The value of group turnover fell by 16 per cent to DM 20bn, with the sharpest percentage drops in the trading and petroleum divisions.

Order books were described as satisfactory. Volume sales were ahead - in most areas except electric power - and capacity utilisation, again excepting power, ranged from 85 per cent to near peak levels.

"Good results" were achieved by all divisions except oil, which was forced to devalue inventories because of the drop in oil prices but none the less managed to hold profit steady.

The group has trimmed its oil exploration and development budget and, taking into account the completion of large electric power stations, investments in the first half declined from DM 1.4bn last year to DM \$91m.

Veba said that it planned to acquire the remaining 49.9 per cent of the BKB power company from VIAG, the aluminium, energy and chemicals group, for an unspecified sum later this year.

DISMAL RESULTS AT MONTREAL-BASED GROUP REFLECT INDUSTRY TREND

CanPac takes it on the chin

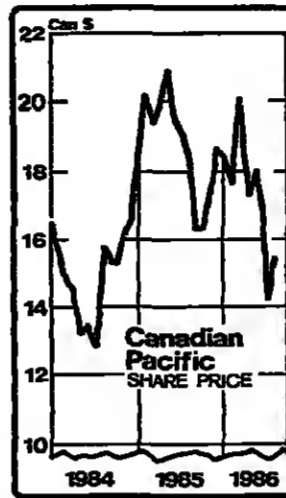
BY ROBERT GIBBENS IN MONTREAL

CANADIAN PACIFIC's dismal first-half results, released earlier this week, are a graphic illustration of how nearly all the Montreal-based conglomerate's transport, resources and metals operations are taking it on the chin from low commodity prices.

CP, now one holding company after the exchange of its shares for those of CP Enterprises last year, has seen its shares dwindle from a high then of C\$20 (US\$14.4) to about C\$13, the lowest for more than 50 years. It gives a warning that the outlook for the rest of 1986 remains dominated by lower oil prices and poor traffic levels on its railway and at CP Air, the airline subsidiary.

The company reported a second-quarter loss of C\$282.8m following a C\$362.5m charge, mostly covering writedowns in the shipping operations and in steel and steel products. For the first six months of the year, operating earnings were C\$88.1m or 29 cents a share, against C\$141m or 66 cents, but after the charge there was a final net loss of C\$274m this time. Revenues, meanwhile, slipped from C\$1.6bn in the first half of 1985 to C\$1.5bn.

CP, Canada's largest company after General Motors' subsidiary, has made big efforts to trim its worst-



performing subsidiaries, while costs have been pared at headquarters, ships sold off and container services rationalised.

However, the dollar exchange rate, depressed prices for virtually all non-ferrous metals, the inability of its Ameca International unit to compete internationally in engineered products and a longer-than-expected downturn in forest

products have all contributed to CP's woes.

The railway unit hoped to be gaining strength this year, but now the prospects for strong freight traffic gains have waned as freight traffic has declined, especially in the second quarter. However, its subsidiary, Soo Line in the US, is on the recovery path.

Elsewhere, CP Air had a C\$30m loss, with higher fares failing to offset low yield levels and higher operating costs. The hotels, also part of CP Air, did not do well. A plan to merge CP hotels and Canadian National Railways Hotels early this

year floundered because a price could not be agreed.

Bulk shipping losses increased and the North Atlantic container operations suffered from lower westbound traffic and poor rates eastbound. Trucks turned around to a profit and the Marathon Realty property development unit was up sharply. Telecommunications profits were lower.

Algoma Steel, a long-time trouble spot, turned in a larger loss at C\$23.2m, excluding writedowns, because of poor selling prices and sluggish demand for pipe. CP indirectly is pumping nearly C\$200m into Algoma to help to reduce its heavy debt.

This is being done through the sale by Algoma of its 35 per cent interest in Amca International, the engineered products unit operating mainly in the US, to the parent company for C\$193m cash. CP itself will now own 50.6 per cent of Amca, which already has a big debt load and is selling unwanted assets.

Finally, PanCanadian Petroleum, one of the most successful oil and gas firms in western Canada, and a mainstay of CP's consolidated profits for five or six years, is now lagging because of the drop in energy prices.

UK advertising group sees new resignation

By Alice Rawsthorn in London

GOOD RELATIONS, the UK advertising and public relations group, yesterday announced the resignation of another main board director, Mr Jeremy Wyatt. His resignation comes amid a stream of bid speculation and just two days before the publication of Good Relations' interim results, which are expected to show a sharp fall in profits.

Mr Wyatt, who is the managing director of Good Relations' corporate communications division, is the fourth main board director to leave in less than a year. He intends to join Communications Strategy, a privately-owned public relations consultancy which plans to go public next year, as a director.

Six members of the corporate communications division will leave with him, including two directors.

Quaker to sell retail unit as earnings rise

BY OUR NEW YORK STAFF

QUAKER OATS, the US food, toys and speciality retailing group, yesterday put its retailing business up for sale in order to focus more closely on its US grocery and Fisher Price toy operations.

Quaker, which also reported a 15.7 per cent increase in fiscal fourth-quarter net earnings yesterday, said it had retained Goldman Sachs and Solomon Brothers to find buyers for the speciality retailing operations.

The speciality retailing operations put on the auction block consist of three businesses: Jos, a manufacturer and retailer of men and women's apparel and accessories; Brookstone, a retail and mail order marketer of tools and housewares; and EyeLab, a chain of optical stores. Together the three units had fiscal 1985 sales of \$216.8m, about 8 per cent of Quaker Oat's total sales.

Quaker Oats said the planned divestiture was expected to result in a gain. However, the company did not estimate the size of the gain or its timing.

The Chicago-based group - whose food products include Quaker Oats cereals and Aunt Jemima pancakes mixes and which recently agreed to acquire Gaines Foods from Anderson Clayton for about \$235m to add to its pet food operations - has been steadily expanding its food and toy businesses.

Quaker Oats' fiscal fourth-quarter net earnings of \$73.1m, or \$1.86 a share, compared with \$63.2m, or \$1.54, in the year-ago quarter on sales which advanced from \$694.4m to \$1.03bn.

For the full fiscal year Quaker reported net earnings from continuing operations of \$174.2m, or \$4.35 a share, on sales of \$3.67bn

Libya to keep 15% Fiat shareholding

BY ALAN FRIEDMAN IN MILAN

THE LIBYAN Arab Foreign Investment Company (Lafico), which holds a 15 per cent equity stake in Italy's Fiat group, said yesterday that Libya had no plans to sell its shareholding.

The strong denial of any intent to sell, which came from Mr Mohammed Shetawi Naas, Rome director of investments for Lafico, followed press reports in Italy that the Libyans were ready to sell their Fiat stake, valued at \$2.8bn, to IFI, the Agnelli family holding vehicle, which controls 31.3 per cent of Fiat

shares.

Mr Naas said the reports, which quoted him as saying Libya was ready to sell "are not true". He thought Fiat a good investment for Libya and declared a desire to buy more shares in the Turin-based company.

Mr Abdurrahman Shalgam, the Libyan Ambassador in Rome, last night said Libya had just paid \$95m to subscribe its portion of a Fiat rights issue. "That is certainly not an indication that we are about to sell."

Mr Gianni Agnelli, Fiat chairman, has in recent months expressed interest in buying out the Libyan share stake, which is worth more than 10 times the initial investment made by Lafico in 1976.

That agreement of 1976, which led to the appointment of two Libyan members to the Fiat board, contains a clause giving the Agnelli family first option should the Libyans ever wish to sell.

The Libyan share participation in Fiat has already caused difficulties

for the Italian group in its dealings with the US Government, where it is seeking a slice of the business related to President Ronald Reagan's Star Wars programme.

In May, the Pentagon blocked a \$7.9m contract awarded to the Fiat-Allis earth-moving equipment subsidiary. The personal opposition of Mr Caspar Weinberger, the US Defence Secretary, was based on the Reagan Administration's policy of not doing business with any companies it believes to be substantially owned by Libya.

البنك السعودي العالمي المحدود

Saudi International Bank

AL-BANK AL-SAUDI AL-ALAMI LIMITED

Extract from Consolidated Interim Balance Sheet

	30th June 1986	31st December 1985
	£'000	£'000
Capital Funds	188,065	189,209
Deposit Liabilities	3,005,019	2,665,406
Loans	1,115,610	1,234,381
Total Assets	3,310,233	3,064,759

London New York Tokyo Nassau

Shareholders: Saudi Arabian Monetary Agency, National Commercial Bank (Saudi Arabia), Riyad Bank, Morgan Guaranty Trust Company of New York, The Bank of Tokyo, Ltd., Banque Nationale de Paris, Deutsche Bank AG, National Westminster Bank PLC and Union Bank of Switzerland.

The Laird Group

PUBLIC LIMITED COMPANY

£90,000,000

Multiple Option Facility

Arranger
S. G. Warburg & Co. Ltd.

Lead Manager
Midland Bank plc

Managers
The Bank of New York
Crédit Lyonnais, London Branch
Commerzbank Aktiengesellschaft
TSB England & Wales plc

Participants
CIC-Union Européenne, International et Cie
Kansallis Banking Group
The Tokai Bank, Limited
Credit Suisse
The Mitsubishi Bank, Limited
S. G. Warburg & Co. Ltd.

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S. G. Warburg & Co. Ltd.
Tender Panel Agent
S. G. Warburg & Co. Ltd.

INTL. COMPANIES & FINANCE

UEP plans share issue to raise \$77.6m

By Wong Sulong in Kuala Lumpur
UNITED ESTATES PROJECTS (UEP), one of the largest Malaysian property developers, is to make an issue of special category shares to raise 202.2m Ringgit (\$77.6m) in order to reduce its high gearing.

US stores' earnings increase on higher consumer spending

BY TERRY BYLAND IN NEW YORK
FURTHER INDICATIONS of the pace of consumer spending in the US came yesterday when J. C. Penney, F. W. Woolworth, The Limited and Wal-Mart stores reported higher earnings for the second quarter.

\$46m or 60 cents against the previous net of \$30m or 40 cents. The half-year shows an 8.8 per cent sales gain to \$6.3bn. Net earnings have risen by 36 per cent to \$109m or \$1.44 after a debt restructuring charge of \$35m.

half. If both had been translated at 1985 foreign exchange rates, the gains would have been trimmed to a 4.4 per cent and 6.2 per cent respectively. Total sales for the first half increased from \$2.6bn to \$2.9bn.

US chips company announces job cuts

By Louise Kahoe in San Francisco

THE US semiconductor industry slump continues to take its toll in Silicon Valley where Advanced Micro Devices (AMD) has announced that it will abandon its "no job cuts" policy in mid-October and dismiss 200 short-term employees this week.

For AMD, the announcement marks the end of a decade-long effort to guarantee workers their jobs despite the dramatic swings of fortune in the US semiconductor market. But the industry recession, which began two years ago, has strained AMD's resources to the limit.

Hydro-Quebec launches \$400m perpetual floater

BY CLARE PEARSON

HYDRO-QUEBEC, the Province of Quebec's electric utility and Canada's second largest company, launched a \$400m perpetual floating rate Eurobond yesterday, led by Credit Suisse First Boston.

Hydro-Quebec has chosen to issue this type of bond because its duration more closely matches the long life of its assets than most term debt. It will repay \$400m of US commercial paper with the proceeds.

Additionally, the structure has costing advantages since the debt will be accounted for at historic cost. Hydro-Quebec will not therefore be exposed to future Canadian/US dollar foreign exchange fluctuations on the instrument.

Just two new dollar fixed-rate deals appeared yesterday, despite a firm tone in the market. Goldman Sachs issued a \$100m seven-year 7 7/8 per cent bond for Exportnora, the Norwegian state entity. The deal was

at 10 1/4 with a coupon of 8 1/2 per cent to give an issue yield of 7 1/2 per cent, 140 basis points over comparable US Treasury bonds.

In the D-Mark market, prices rose by about 3/4 to 4 points. The market was influenced by rumours of a round of interest rates in the autumn.

One borrower, Finnish Real Estate Bank, took advantage of its firm tone. The bank is wholly owned by Skopbank, the central clearing bank of the Finnish savings bank system.

The DM 150m issue, with a six-year life, has a coupon of 6 per cent and price of par. It met a favourable reception, and traded at about 99 1/2 on the bid side, as compared with 2 1/2 per cent fees.

In Switzerland, Swiss Bank Corporation issued a Sfr 250m 15-year bond, with an indicated coupon of 7 1/2 per cent for the World Bank. Meanwhile, a recent 5 1/2 per cent 12-year bond for Inter-American Development Bank moved up by 1/2 point.

SACM-T goes into liquidation

BY DAVID MARSH IN PARIS

SOCIETE Alsacienne de Construction de Material Textile (SACM-T), France's longest-established manufacturer of textile machinery, is to be liquidated after a long battle against financial problems.

SACM-T made total losses last year of FFr 78m (\$11.8m) on turnover of FFr 150m. The largest company in the group, Societe Alsacienne de Constructions Mecaniques, one of France's largest diesel engine manufacturers, is continuing to work normally.

The SACM group, for years the largest employer in Mulhouse near the Swiss border, has roots going back to 1826. Among the many purposes to which its 60-acre factory site on the Rhine Rhone canal was put was the manufacture of armaments during war-time occupation by the Germans.

Denmark calls for brokers' accounts

BY HILARY BARNES IN COPENHAGEN

THE DANISH Bank Inspectorate has sent a letter to all 28 firms authorised to deal on the Copenhagen stock exchange asking them to submit audited financial reports by the end of the month.

Denmark calls for brokers' accounts

BY HILARY BARNES IN COPENHAGEN

THE DANISH Bank Inspectorate has sent a letter to all 28 firms authorised to deal on the Copenhagen stock exchange asking them to submit audited financial reports by the end of the month.

Of a general tightening up of the supervision of broking companies under the terms of a new law regulating the stock exchange.

currently 20 per cent below their April peaks—plus the failure of a small, unlicensed broker.

Qantas decline

OPERATING PROFITS

Qantas, Australia's national flag carrier, have dropped 29.2 per cent to A\$44.4m (US\$28.6m) for the year to March 31, down from the record A\$62.7m the previous year, AP-DJ reports from Sydney.

Pickens sees continued energy slump

OIL and gas drilling in the US will remain at its current low levels until the mid-1990s, Mr T. Boone Pickens, the Texas oilman, told the annual meeting of the American Bar Association, Reister reports from New York.

Pickens sees continued energy slump

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DBS gains from lower tax charges

DEVELOPMENT BANK of Singapore (DBS), one of the island's big four commercial banks, benefited from sharply lower tax charges in the first half to June, and turned in a 4.8 per cent rise in group net profits to S\$52.07m (US\$24.16m), writes our Financial Staff.

DBS has trimmed the interim dividend to 7 cents a share from 8 cents, despite a slight rise in earnings to 34 cents a share from 33 cents.

The DBS performance was markedly better than those of OCEB and UOB, two rivals which last week revealed respective earnings declines of 20.6 per cent and 17.2 per cent. Profitability of all three, however, is set to improve at just above the S\$50 level.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on August 12

Table with columns: US DOLLAR, OTHER STRAIGHTS, FLIGHTING RATE, NOTES, CONVERTIBLE. Lists various international bonds with their closing prices and changes.

N. AMERICAN QUARTERLIES

CANADA DEVELOPMENT Industrial holding company

Table with columns: Second quarter, Revenue, Net profit, Six months, Net profit, Six months. Data for Canada Development.

CHARTER CO. Oil refining

Table with columns: Second quarter, Revenue, Net profit, Six months, Net profit, Six months. Data for Charter Co.

FOOTE CONE AND SELLING Advertising

Table with columns: Second quarter, Revenue, Net profit, Six months, Net profit, Six months. Data for Foote Cone and Selling.

HAMILTON OIL Oil and gas

Table with columns: Second quarter, Revenue, Net profit, Six months, Net profit, Six months. Data for Hamilton Oil.

SWISS FRANCH Franchising

Table with columns: Second quarter, Revenue, Net profit, Six months, Net profit, Six months. Data for Swiss Franch.

WIN STRAIGHTS Franchising

Table with columns: Second quarter, Revenue, Net profit, Six months, Net profit, Six months. Data for Win Straights.

CONVERTIBLE

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for convertible bonds.

STRAIGHT BONDS

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for straight bonds.

FLIGHTING RATE

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for floating rate bonds.

NOTES

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for notes.

CONVERTIBLE

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for convertible bonds.

STRAIGHT BONDS

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for straight bonds.

FLIGHTING RATE

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for floating rate bonds.

NOTES

Table with columns: Con. Exp., Rev. Exp., Price, Change. Data for notes.

Advertisement for KUMAGAI GUMI CO., LTD. U.S. \$100,000,000. 3 1/2 per cent. Guaranteed Bonds Due 1993 with Warrants. Includes logos for Daiwa Europe Limited, Sumitomo Finance International, LTCB International Limited, Al-Mal Group, Bank of Tokyo International Limited, Banque Bruxelles Lambert S.A., Baring Brothers & Co., Limited, Chase Investment Bank, Credit Suisse First Boston Limited, Dresdner Bank Aktiengesellschaft, IBJ International Limited, KOKUSAI Europe Limited, Lloyds Merchant Bank Limited, New Japan Securities Europe Limited, J. Henry Schroder Wagg & Co. Limited, Sumitomo Trust International Limited, Tokai International Limited, Westdeutsche Landesbank Girozentrale, Yamatane Securities (Europe) Ltd., ANZ Merchant Bank Limited, Banque de Neufville, Schlumberger, Mallet, Bayerische Vereinsbank Aktiengesellschaft, James Capel & Co., Genossenschaftliche Zentralbank AG, Goldman Sachs International Corp., Hill Samuel & Co. Limited, Meiko Securities Co., Ltd., Morgan Stanley International, Nuovo Banco Ambrosiano SpA, Taiyo Kobe International Limited, Vereins-und Westbank Aktiengesellschaft, Wako International (Europe) Limited.

INTL. COMPANIES & FINANCE

David Marsh on the French electronics group's drive for foreign sales Souriau builds a global network

MR MARCEL LEROY, chairman of Souriau, the specialised French electronics group, is an old hand at the game of international collaboration.

His company, which makes sophisticated connectors forming the vital junctions in electronic and optical circuits, gets more than half its sales from outside France.

The company's main clients are in the aerospace, armaments and telecommunications sectors—areas where many French companies have grown up since the war on the back of aggressive government sponsored programmes to boost France's high-technology prowess.

Yet alongside its role in prestigious national ventures—like equipping the French-led Ariane space rocket, as well as the latest Mirage 2000 fighter—Souriau has been careful to build up parallel activities in competing projects abroad.

Through its manufacturing subsidiaries in the US, West Germany, the UK and Italy, Souriau supplies equipment for the Anglo-German Italian Tornado fighter-bomber as well as for the American F15 fighter-jet—aircraft which are competing with the Mirage on world military markets.

Alongside its part in equipping the European Airbus, Souriau also has a modest share in the connectors aboard the Boeing 737 and 767.

And Mr Leroy reckons that his company has a "good chance" to win orders for the European fighter aircraft planned for the 1990s by Britain, Germany, Italy and Spain—a project which France, after two years of lengthy

negotiations, declined to join. France is going ahead with its own project to develop the prototype Rafale fighter built by the Dassault-Breguet military aircraft maker, which has just made its first test flight.

"We need to be on world markets to be competitive," says Mr Leroy. "If we were just on the Rafale, it wouldn't be enough."

The intense pace of international competition—at a time when the company has been facing a slackening of domestic military and aerospace orders—leaves Souriau with no choice but to be present industrially on foreign markets.

"We have to get on well with everyone," says Mr Leroy, pointing out that even some of the Exocet anti-ship missile—which is used to equip the Royal Navy—are made by the company's subsidiary in the UK.

American competitors such as ITT Cannon, AMP, Allied Bendix and Deutsch—have facilities in all European countries to win shares in European programmes, Mr Leroy says. "They have the same problem as us."

Souriau's manufacturing subsidiary in Dusseldorf, at present undergoing extension, has turnover of FFr 200m (\$28.9m), 35 to 40 per cent of which represents German-made equipment.

Souriau is shortly to boost local content in West German sales to 50 per cent. This is as part of a general bid to improve its position in the Federal Republic, where national avionics and electronics companies are increasing efforts to boost their share of equipment orders for programmes



Mr Marcel Leroy: "We have to get on well with everyone" like the Airbus.

sector.

Souriau has also signed licensing deals with a number of Eastern European countries—including with Czechoslovakia in 1984—and also with China last year. It also last year clinched a FFr 20m contract to supply the Soviet Union with civil aviation equipment.

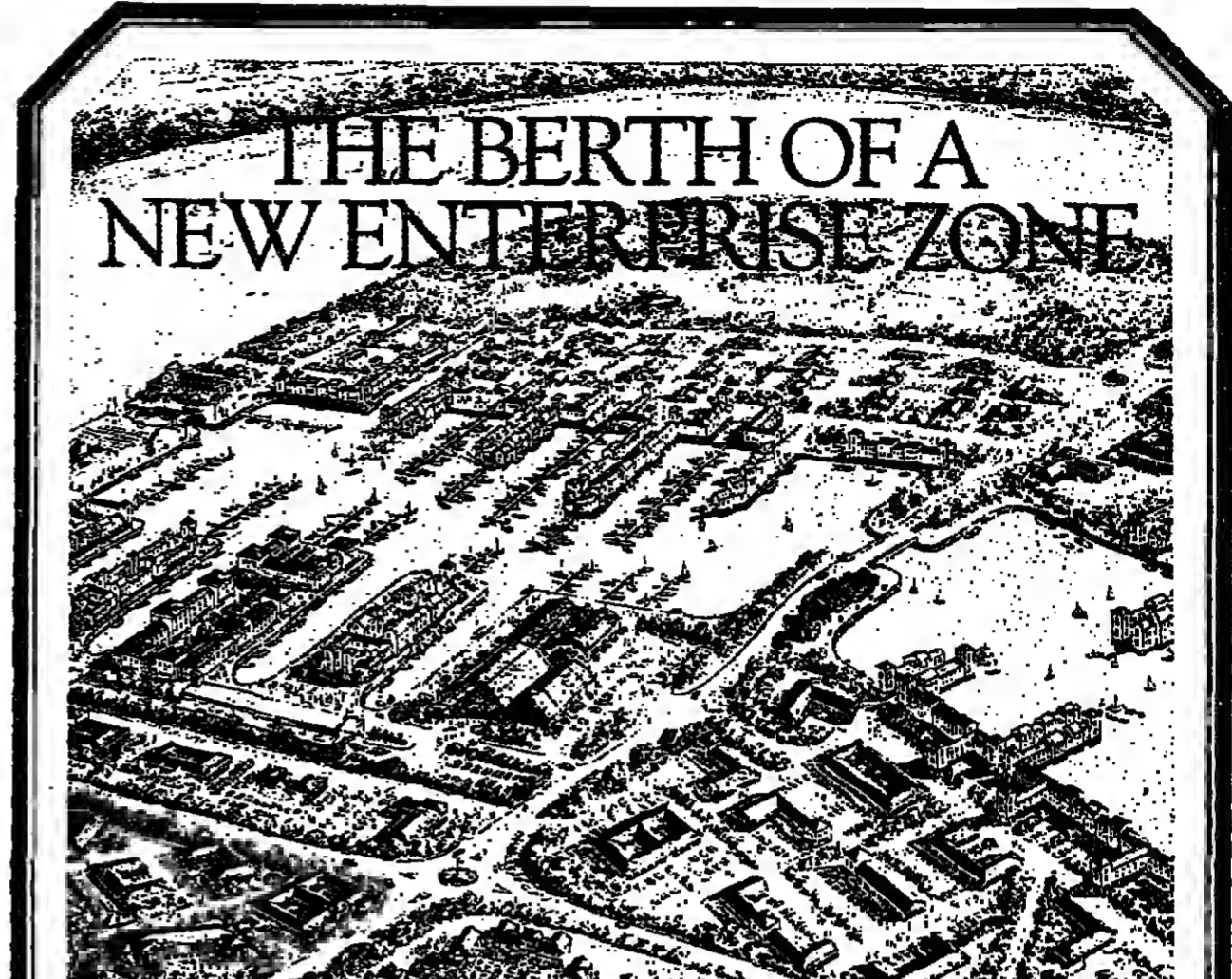
About 28 per cent of Souriau's FFr 1.4bn of turnover last year was in the aerospace and missiles sector—about 60 per cent military programmes and 40 per cent civilian—with 13 per cent in land-based arms sales for tanks and military vehicles.

For this year Mr Leroy says slackening arms orders both in France and the US, as well as the reduced pace of Airbus production, are leaving a "hole" in activities. But he still hopes for an increase in profit from last year's consolidated net earnings of FFr 65m (up 5 per cent from 1984), on turnover likely to be up about 13 per cent.

A total of 46 per cent of Souriau's capital, listed on the Paris bourse's second marche, is now in the hands of the public and institutional investors following the placement in June of a 25 per cent equity package formerly held by one of the company's two family shareholding groups.

The Souriau family however keeps a 37 per cent controlling stake (with another 7 per cent owned by the Charles family).

Mr Leroy says the company traditionally has been able to rely on cash-flow to finance development, but is not ruling out recourse to the bourse should it need funds for acquisitions in coming years.



Chatham Maritime—where mighty warships once berthed—is fast becoming the most exciting waterside development in Europe.

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Britain's latest (it could be the last) Enterprise Zone offers 100% capital allowances, rate-free benefits until 1996 and simplified planning procedures ensuring that this unique and imaginative redevelopment by English Estates will be of prime interest to investors, developers and companies seeking to relocate.

Even if this is the last Enterprise Zone, surely no other is as well located given the ease of access to the M25, the Channel Ports, the proposed Channel Tunnel and Europe. What's more, situated within the Garden of England, it offers a unique living and working environment.

If you'd like to know more about Chatham Maritime's development opportunities, contact English Estates, Pembroke, Chatham, Kent ME4 4UF. Telephone: 0634 815061/6. Telex: 965250. Fax: 0634 815939.

CHATHAM MARITIME

THE GATEWAY TO EUROPE IN THE GARDEN OF ENGLAND.

Spiralling exports boost Korean companies

BY OUR FINANCIAL STAFF

HALF-YEAR results released by leading South Korean companies show strong earnings advances as the country's export boom gathers pace.

Cheil Synthetic Textiles increased earnings in the first half to June by 549.7 per cent from a year earlier, to 2bn Won (\$2.26m). Sales rose by 13.5 per cent to 107bn Won.

A company official attributed the sharp increase in profits to

sales of base film, which is used to produce video tapes.

Cheil began producing base film in May 1985, and sales of the product picked up early this year. About 95 per cent of the base film produced by the company is exported.

Dongbu Industrial boosted sales 90.8 per cent to 85.2bn Won, while earnings rose 101.3 per cent to 2.1bn Won.

Dongbu said it saw a sharp

increase in exports of steel products and textiles, especially to Japan and the US.

Korea Explosives, the biggest explosives manufacturer in South Korea, lifted its profits by 31.4 per cent to 2.5bn Won, despite a slight dip in sales to 48.18bn Won compared with 48.2bn Won.

The company said that in the first half of 1985 it had suffered an extraordinary loss of 1.7bn

Won because of a reassessment of invested assets.

Korea Iron and Steel Works, a major manufacturer of steel wire rope, increased profits by 134 per cent to 3.8bn Won, while sales rose 14.4 per cent to 40bn Won.

Exports of the high-margin products increased in the first half, and falling oil prices also helped the company reduce production costs.

Bophuthatswana casinos ahead

BY JIM JONES IN JOHANNESBURG

SUN INTERNATIONAL Bophuthatswana (SIB), the casino and resorts in Bophuthatswana and is building a third South African "homeland," increased turnover by an inflation matching 17 per cent in its first year as a quoted company.

Turnover rose to 168.5m (\$68.1m) in the year. SIB controlled by Sun International R144.2m and pre-tax profits were R28.5m against R23.9m.

The company operates two casino complexes in Bophuthatswana and is building a third with the proceeds of last year's stock exchange listing.

Earnings per share rose to 28.9 cents from 26.7 cents and the dividend has been raised to 20 cents from 19 cents. SIB controlled by Sun International and the Bophuthatswana Government is a major shareholder.

Underwriting loss at SA Eagle

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICAN EAGLE, the short-term insurer who is controlled by Eagle Star Holdings of the UK and Anglo American Corporation, moved into the red on its underwriting account in the six months to June but believes it will stabilise the account by the end of the year.

The first half's gross premium income rose by a quarter to R153.6m (\$60.3m) from R122.5m and the company suf-

fered a first-half underwriting deficit of R5.5m against a small surplus of R17,000 in the first half of 1985.

Investment income increased, but not sufficiently to prevent the interim pre-tax profit dropping to R5.1m from R9.8m.

Net earnings dropped to 37.3 cents a share from 57.2 cents and the interim dividend has been maintained at 21 cents.

U.S. \$150,000,000 First Bank System, Inc.

Floating Rate Subordinated Capital Notes Due 1996

Interest Rate	6 7/16% per annum
Interest Period	13th August 1986 13th November 1986
Interest Amount per U.S. \$50,000 Note due 13th February 1986	U.S. \$638.54

Credit Suisse First Boston Limited Agent Bank

BANK OF GREECE

U.S. \$250,000,000 Floating Rate Notes due 1997

Holders of Floating Rate Notes of the above issue are hereby notified that for the interest period from 13th August, 1986 to 13th February, 1987 the following information is relevant:

- Rate of Interest: 6 7/16% per annum
- Interest Amount payable on Interest Payment Date: U.S. \$341.81 per U.S. \$10,000.00 nominal or U.S. \$,845.14 per U.S. \$20,000.00 nominal
- Interest Payment Date: 13th February, 1987

Agent Bank: Bank of America International Limited

U.S. \$100,000,000

The Sumitomo Trust Finance (H.K.) Limited

Guaranteed Floating Rate Notes Due 1994

Guaranteed as to payment of principal and interest by

The Sumitomo Trust and Banking Company, Limited

Interest Rate	6 1/2% per annum
Interest Period	13th August 1986 13th February 1987
Interest Amount per U.S. \$10,000 Note due 13th February 1987	U.S. \$332.22

Credit Suisse First Boston Limited Agent Bank

NOTICE OF PREPAYMENT

The Mitsubishi Trust and Banking Corporation

U.S. \$20,000,000

Callable Negotiable Floating Rate Dollar Certificates of Deposit

No. 000001 to 000020 issued on 15th September, 1983. Maturity Date 18th September, 1987. Option Callible in September, 1986. Notice is hereby given that in accordance with Clause 3 of the Certificates of Deposit (the "Certificates") The Mitsubishi Trust and Banking Corporation will prepay all outstanding Certificates on 18th September, 1986 (the "Prepayment Date") at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of The Mitsubishi Trust and Banking Corporation, 33 Lombard Street, London EC3V 9AJ.

Interest will cease to accrue on the Certificates on the Prepayment Date.

Morgan Grenfell & Co. Limited Agent Bank

13th August, 1986

NOTICE OF PREPAYMENT

The Mitsubishi Trust and Banking Corporation

(Incorporated with limited liability in Japan)

U.S. \$20,000,000

Floating Rate Certificate of Deposit

Issued on 12 October 1983

Maturity 15 October 1987. Callable in October 1986

Notice is hereby given in accordance with Clause 5 of the Certificates of Deposit (the "Certificates") that pursuant to Clause 3 of the Certificates The Mitsubishi Trust and Banking Corporation (the "Bank") will prepay all the outstanding Certificates on 15 October 1986 (the "Prepayment Date") at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of The Mitsubishi Trust and Banking Corporation, 8-13 King William Street, London EC4N 7BQ.

Interest will cease to accrue on the Certificates on the Prepayment Date.

By: Swiss Bank Corporation, International Limited Agent Bank

Santa Barbara Savings and Loan Association

(Incorporated under the laws of the State of California)

U.S. \$100,000,000

Collateralized Floating Rate Notes Due 1996

Notice is hereby given that the Rate of Interest has been fixed at 6 1/8% p.a. and that the interest payable on the relevant interest Payment Date, November 13, 1986 against Coupon No. 1 in respect of U.S. \$100,000 nominal of the Notes will be U.S. \$1,661.11.

August 13, 1986, London

By: Citibank, N.A. (CSS Dept.), Agent Bank CITIBANK

Metal Box p.l.c.

U.S. \$50,000,000 5 1/8% per cent. Bonds Due 1993 with Warrants to procure the subscription of Ordinary Shares of Metal Box p.l.c.

Notes are hereby given, in accordance with the Deed Poll executed by Banque Indosuez Luxembourg in connection with the above Warrants, that with effect from 28th July, 1986 the Subscription Price (as defined in the Deed Poll) of 771 pence per Ordinary Share of Metal Box p.l.c. (the "Company") was adjusted to 192 pence per Ordinary Share following the sub-division of each of the Ordinary Shares of £1 each of the Company into four Ordinary Shares of 25 pence each pursuant to a resolution passed at the annual general meeting of the Company held on 24th July, 1986. Following such sub-division, Banque Indosuez Luxembourg shall, for no payment, issue to each Warrant Holder three additional Warrants for each Warrant held on 28th July, 1986.

Date: 13th August, 1986

BANQUE INDOSUEZ LUXEMBOURG

Merrill Lynch Overseas Capital N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Guaranteed Floating Rate Notes due 1987

Unconditionally Guaranteed by

Merrill Lynch & Co., Inc.

In accordance with the terms and conditions of the above-mentioned Notes and Fiscal Agency Agreement dated as of April 15, 1981, between Merrill Lynch Overseas Capital N.V., Merrill Lynch & Co., Inc., and Citibank, N.A., notice is hereby given that the Rate of Interest has been fixed at 6 1/8% p.a. and that the interest payable on the relevant interest Payment Date, November 13, 1986, against Coupon No. 22 in respect of U.S. \$5,000 nominal of the Notes, will be U.S. \$83.85.

August 13, 1986, London

By: Citibank, N.A. (CSS Dept.), Agent Bank CITIBANK

ADVANCE REDEMPTION NOTICE TO ALL HOLDERS OF KUWAITI DINARS 6,000,000 EUROFIMA

(European Company for the Financing of Railway Rolling Stock)

11% Bonds due 1989

In accordance with Clause 5(B) of the description of the Bonds in the placing Memorandum dated 17th September 1981, the borrower has given notice to redeem the whole issue as on 30th September 1986 at 101.25% with accrued interest to the date of redemption and interest will cease to accrue on the bond as from the aforementioned date. The holders of the bonds shall deposit their bonds with all unremitted coupons with the Fiscal Agent or any of the Paying Agents from whom payment is required.

CONTACT

FISCAL AND PRINCIPAL PAYING AGENT

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) P.O. Box 5666, Safat 13067, Kuwait

PAYING AGENTS

Kuwait Investment Company (S.A.K.) Credit Bank S.A. Luxembourg 49 Boulevard Royal, Luxembourg P.O. Box 1005, Safat 13011, Kuwait

Morgan Guaranty Trust Company of New York 85 Avenue Des Arts 1040 Brussels, Belgium

SPONSORS:

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Philippine National Bank 221-205 8707 John Lawton (City) 07666 01-28 9235

البنك الكويتي للتجارة والتمويل والاعتماد والبنوك الكويتية
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Wells Fargo & Company

U.S. \$250,000,000

Floating Rate Subordinated Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from 13th August, 1986 to 13th November, 1986 the Notes will carry an Interest Rate of 6 1/8% per annum.

Interest payable on the relevant interest payment date 13th November, 1986 will amount to US\$167.71 per US\$10,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

ELECTRICITY GENERATING AUTHORITY OF THAILAND

U.S. \$60,000,000

Guaranteed Floating Rate Notes due 1988/1991

Unconditionally guaranteed as to payment of principal and interest by

The Ministry of Finance of THE KINGDOM OF THAILAND in accordance with the provisions of the Notes notice is hereby given that the rate of interest for the period 13th August 1986 to 13th February 1987 has been fixed at 6 1/8% per annum. On the 13th February, 1987 interest of US\$8,465.28 per US\$250,000 nominal amount of the Notes will be payable against Coupon No. 7.

Agent Bank: Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED

NOTICE OF CALL AND REDEMPTION

To the Holders of

The Bank of Tokyo, Ltd., Portland Branch

(Incorporated with limited liability in Japan)

U.S. \$10,000,000 Callable Negotiable Floating Rate Certificates of Deposit due August 28, 1987 (the "Certificates")

Notice is hereby given that, pursuant to the provisions of the Certificates, The Bank of Tokyo, Ltd., Portland Branch (the "Bank") will prepay the outstanding principal amount of the Certificates identified below in full on August 28, 1986, the next Interest Payment Date, together with the interest accrued to that date. Payment will be made against presentation and surrender of said Certificates at The Bank of Tokyo Trust Company at 100 Broadway, New York, NY 10005. The Certificates being called are as follows:

Issue Date	Total Number of Certificates Redeemed	Principal Amount of Certificates	Aggregate Principal
August 26, 1982	10	\$1,000,000	\$10,000,000

(Nos PT 4970-PT 4978)

The Bank of Tokyo, Ltd., Portland Branch, 411 SW 8th, Portland, Oregon, 97204

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UK COMPANY NEWS

Unilever's rise continues into second quarter

Unilever, the Anglo-Dutch consumer products group, made pre-tax profits of £513m in the first half of 1988—well above market expectations and £30m up on last time.

The company's figures for the second quarter of the year were reported yesterday, showing that the good first three months carried through to the second. Profits rose 24 per cent to £295m, even after allowing for provisions in the restructured UK meat business, which could have taken as much as £20m. Analysts had forecast a maximum of £280m profit before tax.

The London listed shares—the stock is also quoted in the Netherlands—rose a ¼ to £18 on the results, which followed a series of disappointing figures from several major UK companies.

Mr Michael Angus, the new chairman, said that results improved in most of the group's countries of operation, and he was increasingly confident about 1988 as a whole. He sounded a more cautious note, however, by adding that it was "unlikely that the rate of profit improvement in the first

half will be maintained over the remaining two quarters."

Results could be affected by exchange rate movements, he said, especially when expressed in guilders. Mr Angus pointed out that at June end exchange rates the rate of increase in attributable profits was 26 per cent in sterling, 34 per cent in US dollars, but only 19 per cent in guilders.

Second quarter group sales slipped from £4.17bn to £4.09bn on comparable exchange rates, reducing total half year sales from £8.49bn to £7.96bn. Turnover in Europe was down on the half, from £5.53bn to £4.77bn, but rose in North America (from £1.39bn to £1.41bn) and in the rest of the world (from £1.56bn to £1.68bn).

Second quarter operating profits rose by 24 per cent to £295m, lifting the interim total to £505m (£444m).

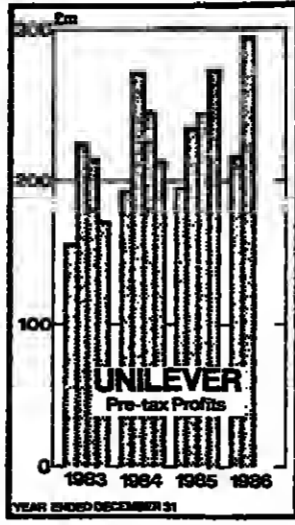
Europe was still the largest profit earner, making £283m against £269m in the half year. Mr Angus said that European operating profits were 11 per cent ahead in the second quarter. "There were gains in most product groups, with major contributions from ice cream and

tea. Improved results in Germany were particularly encouraging."

Operating profits in North America rose by £24m to £28m, with all major businesses contributing to the increase. Lever Brothers again achieved substantial volume growth, and made several significant improvements in its market position, said the chairman.

In the rest of the world profits rose by 8 per cent to £184m. Mr Angus said that the consumer products businesses grew strongly in both sales and profits in nearly all areas. The second quarter took in a full contribution from the food businesses recently acquired in Brazil and Mexico. Results from the plantations businesses were depressed by lower tea and palm oil prices.

The total group turnover and profit figures for the first half of 1988 take in £288m and £17m respectively from Brooke Bond, Mr Angus said. This relates to Brooke Bond's figures for the last quarter of 1984, and the profit was after deduction of finance costs associated with the purchase.



Associates added more to the half year profit of £30m (£28m), but income from other fixed investments fell from £14m to £6m. Net interest charges fell from £31m to £28m.

After a midway tax charge of £218m (£188m), attributable profits totalled £277m (£219m), or £70m on translation at end-June 1988 rates.

Combined earnings per share rose 26 per cent in the second quarter to 41.5p, lifting the half year figure by 25 per cent to 78.02p (£8.47p).

See Lex

UKPI sells stake in GT Management

United Kingdom Provident Institution (UKPI), the troubled mutual life company, has sold its 6 per cent stake in GT Management, the fund management group which is attempting to rally support for Berry Trust against a hostile £56m takeover bid from Ensign Trust.

The sale of the 6 per cent stake—worth about £5.8m at the prevailing market price—was made on Monday, the same day that UKPI disclosed it had sold its entire 28.9 per cent holding in Berry.

The GT share sale was not revealed until yesterday, however, when GT said it had taken place.

The disposal of the GT shares—by brokers Cazenove to a group of institutions—removes a further uncertainty over the fate of Berry and of GT.

UKPI, which ran into problems earlier this year with some of its unquoted investments, was known to be a likely seller of its Berry and GT stakes and the two companies were concerned they might fall into Ensign's hands.

As it is, if Ensign succeeds in winning control of Berry it would gain control of Berry's 11.7 per cent stake in GT.

The close links between Berry and GT date back to the launch of GT as a private fund management group in 1968. Berry backed the new company financially and held a 28 per cent stake until GT obtained a stock market listing last month, when its holding was reduced to 11.7 per cent.

Mr Mark St Giles, joint managing director of GT, said he was concerned at the build-up of influence by Ensign over the financial sector.

Ensign, formerly Murray Growth Trust, was acquired by the Merchant Navy Officers Pension Fund last year though 20 per cent of its shares remain in the hands of minority shareholders.

"It is unusual for a pension fund—using money which benefits from tax breaks, as known to such people," said Mr St Giles.

Ensign has large stakes in several large financial services groups.

Acquisition helps Firth expand profit to £2.5m

THE ENLARGED and diversified G. M. Firth (Holdings) group produced a turnover of £50m and a pre-tax profit of £2.48m in the year ended March 31 1988.

Earnings per 10p share reached 4.36p and the final dividend is 0.55p for a net total of 1p, against 0.4p.

The group operates as steel stockholders and merchants, property developers, furnishing and flooring contractors, and engineers to the food and drink industries.

The latter activities are carried on by Porter Chadburn, the results of which are included for the first time by virtue of the fact that Firth lifted its interest in that company to more than 50 per cent during the year. Porter accounted for £19.4m of turnover and £506,000 of profit.

Mr Ian Wasserman said the momentum of increased profitability at Porter had been slower than envisaged and the position had been exacerbated by the severe end sudden downturn in the oil market.

However, he remained confident that Porter could look forward to an expansive future

and its profits would move forward.

In the current year the directors were budgeting for considerably higher group profits, he said. Those for the first quarter had been "extremely good" and barring unforeseen circumstances, he anticipated another year of substantial growth in profit and earnings.

Turnover and profit for 1988 compared with £21m and £950,000 respectively for the previous year. After tax £898,000 (£816,000) and the Porter minority £154,000 (£111,000) the net profit came to £1.48m (£884,000).

There was an extraordinary debit of £106,000 (credit £109,000) being the cost related to the closure of the Bolton factory of Porter Lanchester, less profits on sales of investment and fixed assets.

Porter is paying a final dividend of 1.3p for a net total of 3p for the year ended March 31 1988, compared with 1.05p for the previous 64 weeks.

comment

G. M. Firth has never known profits in excess of £1m before but ex-Sister Walker aide Ian

Wasserman has spent six years grafting niche businesses on to the steel core. Continuing activities contributed £1m to the rise this time with around £400,000 of this coming from stockholding and another £1m from sales of property and investments. The maiden contribution from the 65 per cent owned Porter Chadburn produced just over £1m (although the minority had to be paid out of this) and most of the extraordinary costs. Old Firth realised some £180,000 in cash from property disposal and a profit on its stake in Arden. Mr Wasserman's aversion to issuing shares is well known so the £2m a year cash flow out of the expanded Firth sets its own limits on acquisitions. Last year £2.3m was spent on purchases and this year the figure looks likely to be much the same. With the tax charge coming down to the standard rate, £2.7m pre-tax would produce strong earnings growth. The shares at 74½ trade on a prospective multiple of 11 which still leaves some head room.

Samuelson warns on first half

Samuelson Group yesterday warned that the current half year would not match expectations due to problems in the UK film division and in Australia, where revenue has been hit by currency movements.

The warning hit Samuelson's shares, which fell 40p to 180p after the announcement.

However, Mr Sidney Samuelson, the chairman, addressing the annual meeting said that he considered the setback as short-term, adding that it had not dampened his confidence.

The UK film side, he said, had suffered from the downturn in feature film production which had lasted longer and been more severe than had originally been anticipated.

The depreciation of the Australian dollar had affected revenue in two ways, said Mr Samuelson. Firstly, on translation into sterling and US dollars, and secondly it had reduced the number of performers going to Australia.

Woodhouse beats oil setback

BY ALICE RAWSTHORN

Woodhouse & Risdon (Holdings), the Sheffield-based forger, announced an 18 per cent increase in pre-tax profits to £223,000 against £192,000 for the half year to June 30 1988, despite suffering a downturn in activity from its oil-related business.

In the last few years Woodhouse has emerged as one of the recovery stocks of the engineering sector. It plunged into losses in 1983, but having disposed of its loss-making activities and cut costs in remaining divisions, it has returned to profit.

During the half year turnover rose by 5 per cent to £5.75m (£5.45m) while trading profits grew by 11 per cent to £835,000 (£673,000), there was a cut in the interest charge from £4,900 to £7,000 as the company eliminated borrowings in the course of the half year. Earnings per share increased to 3.9p (3.6p) and the interim dividend to 1.35p (1.0p).

The company made a compensation payment of £31,000 to Mr

Christopher Cotton, its former company secretary, who resigned in May.

According to Mr Jock Sutherland, chairman, although oil-related activities suffered due to the downturn in the North Sea and US oil industries, the company gleaned growth from sales to the aerospace and nuclear engineering industries.

Woodhouse has expanded its range of forging work with the installation of a new 800-tonne forging press at its Niagara Works. Plans to enlarge the Bessemer Road premises have suffered a setback, however, because of a delay in obtaining planning permission.

comment

Having withstood a downturn from a key area of activity Woodhouse's recovery proved that it has returned to a firmer footing. At its peak the oil industry accounted for 20 per cent of sales, in the first half it provided just 8 per cent, raising an estimated £70,000 from pre-tax profits.

Nonetheless aerospace and nuclear engineering have emerged as growth markets, offering more generous margins than energy, and the company has detected a slight improvement in demand from the oil sector in the second half. The City expects continued growth in profits to £1.4m for the full year, producing a prospective p/e of 8 on yesterday's share price which shed 1p to 69p. Having eradicated borrowings Woodhouse is now in a position to diversify again and has signalled its intention to find small targets in related areas, although it looks more like bid target than a bidder.

Asda superstore

ASDA Superstores has won planning consent for an 85,000 sq ft superstore on the northern outskirts of Brighton.

The superstore, scheduled to open by Christmas 1987, will have 44,250 sq ft selling area.

Davies & Metcalfe in the red

AFTER plunging into the red at the end of 1985 with losses of £286,473, Davies & Metcalfe, the Stockport-based mechanical and electrical engineer, incurred further losses of £232,988 in the six months to June 30 1988. In the corresponding period last year, the group reported pre-tax profits of £255,902.

The directors reported yesterday that the group had entered profitability in April 1988 and that trend was expected to continue.

They said the development in

and extensions to the group's product range had enabled it to take advantage of the strong growth in the international railway market. All divisions had good levels of orders on hand, and the total value of orders, at £14m was an all-time record and compared with a value of £7.6m at December 31 1985.

Moreover, there were encouraging prospects for new orders from both home and overseas.

As a measure of the directors' confidence in the future of the group, they proposed

making an unchanged interim dividend payment of 0.65p—last year a total of 2.21p net was paid. There was a loss per share of 4.314p compared with earnings of £3.86p.

The pre-tax loss included a provision of £50,000 against an unfavourable exchange rate between the Australian dollar and sterling.

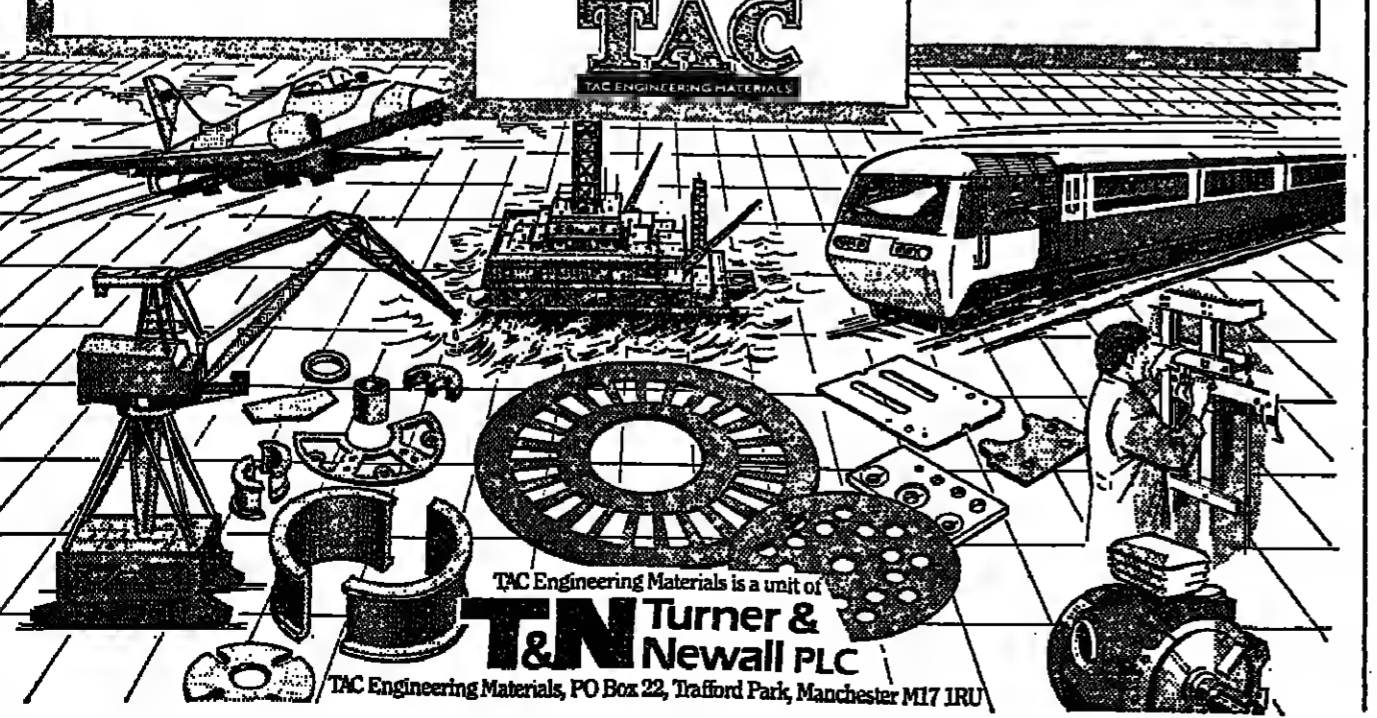
External sales and other income was down from £5.6m to £3.12m in the opening half. No tax was payable against the group, they proposed £127,951 last time.

TAC ENGINEERING MATERIALS High Technology Composites for Industry

TAKE A LOOK AT THE FACTS

EXTENSIVE RESEARCH HAS DEVELOPED FOR USE TODAY:

- FEROFORM—a new range of engineering composites which can be machined to fine tolerances into components with both excellent wear and chemical resistance. Typical applications are bearings for water pumps in reservoirs and power stations, for piston rings and vanes in pneumatic compressors and gaskets in aircraft engines.
- CERAFINE—a new generation of engineering ceramics with a maximum operating temperature of 2000°C. Sintered silicon nitride—excellent thermal shock resistance and retention of strength at 1200°C. Partially stabilised zirconia—exceptional strength and toughness at room temperature with good retention of these properties up to 900°C. A recent development is fully stabilised zirconia with even greater strength and temperature resistance. Typical applications are to be found in metal extrusion and welding, and potentially in the aerospace industry and in automotive valves for reciprocating and rotary engines.
- SINDANYO fibre reinforced cement engineering board withstands temperatures of up to 900°C. It is used as high temperature insulation during the transportation of molten metals and glass and in the control of railway and Underground power transmission systems.
- FIREFLY millboard—versatile and heat resistant with good thermal stability up to 1000°C. Applications are found in metal and glass manufacture, boilers and furnaces. A good example is the use of millboard as a high temperature bearing material in the manufacture of plate glass.
- AND FOR TOMORROW... advanced composites are under development combining new high temperature polymers with special fibres such as carbon and aramid to meet the ever increasing demands of high technology industries. Applications include components for aero and automotive engines.



TAC Engineering Materials is a unit of **T&N Turner & Newall PLC**
TAC Engineering Materials, PO Box 22, Trafford Park, Manchester M17 1RU

Bestwood boosted by acquisitions

Bestwood, the fast growing investment and property services group headed by Mr Tony Cole, yesterday announced a sharp rise in profits for the first half of 1988, and the company's shares responded with a 23p jump to 698p.

Profit before tax in the six months to June 30 came to £707,000, against a comparable £121,000. This is more than the £683,000 made in the last full year, and takes in the results from some of Bestwood's recent clutch of acquisitions.

The interim accounts do not include costs of the recent failed bid for Country Gentlemen's Association.

Turnover rose dramatically from £1.25m to £5.65m, with the main jump coming in the industrial division (up from £789,000 to £6.38m) expanded by the purchase of Foraky—now British Drilling and Fixing—last November. This made trading profits of £435,000 (£38,000).

The results include a first time contribution from the property services companies bought last February, which added £1.56m to turnover, and £94,000 to profits. There was also a good performance from financial services, which made profits of £305,000 (£10,000) on turnover of £216,000 (£42,000).

After a tax charge of £276,000 (£96,000) earnings per share came to 2.2p, up from 2.0p. There is, as usual, no interim dividend.

Meat Trade downturn

Meat Trade Suppliers suffered a decline in pre-tax profit from £285,000 to £273,000 in the 53 weeks ended April 5, 1988. Turnover fell to £7.41m (£8m).

Earnings per share fell from 7.69p to 7.09p. The final dividend is 3.55p for a net total of 5.3p, against 5.25p; this absorbed £139,000 (£138,000).

Tax for the period was £87,000 (£85,000) and included £5,400 to deferred account (£12,000 from same) and £94 for under-provision of earlier years (£26,000 released).

DIVIDENDS ANNOUNCED				
	Current payment	Date	Corr. div. of year	Total last year
Blacks Leisure	nil	—	0.25	nil
Capital & Counties Int	3	Oct 1	2.2	4.51
Matthew Clark	5	Oct 10	4.5	8
Davies & Metcalfe Int	0.63	Oct 6	0.63	1
G. M. Firth	0.55	Oct 6	0.22	0.4
Meat Trade	3.55	Oct 10	3.5	5.3
Metal Bulletin	1.5	Oct 10	1.5	4.25
Porter Chadburn	1.3	Oct 10	1.05	2
Restaur Group	3.75	Oct 10	3.25	4.5
Tech Comp Inds	11.5	—	—	—
Unidare	—	—	—	10
Woodhouse Risdon Int	1.35	Oct 9	1	2.5

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issues. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 15 months. †† For nine months. ** Irish currency. ††† For 16-month period.

STEAD & SIMPSON plc

FOOTWEAR RETAILERS AND MOTOR DEALERS

Creditable Result

Salient points from the statement by the Chairman, Mr W.R.F. Chamberlain for the year to 31st March, 1988.

	1987/88	1986/87
1988/89 TURNOVER		
Footwear retailing	30,224	37,256
Motor trading	23,085	20,913
Party plan	905	676
	54,214	58,845
PROFIT BEFORE TAX		
Footwear retailing	4,467	4,649
Motor trading	812	681
Party plan (loss)	(106)	(104)
	5,163	5,226
PROFIT AFTER TAX		
Extraordinary items—Property	3,060	2,888
Profits	1,665	1,262
Ordinary and 'A' Dividends	3.55p	3.20p*
Earnings per share—after tax	5.31p	5.01p*

* Adjusted for scrip issue August 1985

- * In a year of extremely adverse trading conditions, it is most creditable that the results have been almost held at last year's record level.
- * Footwear turnover increased by 5.3%. 16 new branches were opened, 7 relocated to better positions and 18 refurbished. 5 branches were closed; we have plans to open 6 and to relocate 4.
- * Due to appalling weather, footwear trading for the first 11 weeks has shown little change compared with last year.
- * Motor dealerships continued to prosper and profits improved by 19.2%; there has been an increase in turnover of 20% in the first 11 weeks of the current year.
- * Our freehold and long leasehold properties have been revalued as at the 31st March, 1988 giving a surplus of £13,844,000 over the previous book value.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

ELECTRIC AND GENERAL INVESTMENT COMPANY PLC
(Registered in England No. 31506C)
Placing by Cazenove & Co. of £7,000,000
10 1/2 per cent. Debenture Stock 2011
at 699.160 per cent., payable in full on acceptance

Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of the Stock Exchange £7,000,000 nominal of the Stock is available in the Market on the date of publication of this advertisement.

Listing Particulars relating to the Stock have been circulated in the Extel Statistical Services and copies may be obtained during normal business hours on any weekday (excluding Saturdays and public holidays) up to and including 27th August, 1986 from:-

CAZENOVE & CO.,
12 Tokenhouse Yard,
London, EC2R 7AN.

ELECTRIC AND GENERAL INVESTMENT COMPANY PLC,
26 Finsbury Square, London, EC2A 1DA.
and, for collection only, up to and including 15th August, 1986 from:-

The Company Announcements Office,
The Stock Exchange, London, EC2P 2BT.

13th August, 1986

U.S. \$300,000,000

The Kingdom of Belgium
Undated Floating Rate Notes
(U.S. \$288,500,000 to remain undated and U.S. \$11,500,000 converted to 4 year Notes maturing in August 1990)

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 13th August, 1986 to 13th February, 1987 on the undated and converted Notes will carry an interest rate of 6 1/2% and 6% respectively per annum.

Interest payable on 13th February, 1987 will amount to U.S.\$8,545-14 and U.S.\$8,145-83 per U.S. \$250,000 on the undated and converted Notes respectively.

Agent Bank:
Morgan Guaranty Trust Company of New York
London

UK COMPANY NEWS

Sears makes £3.3m agreed bid for Blacks

By Martin Dickson

Sears, Britain's biggest retailer in terms of outlets, yesterday announced an agreed £3.3m cash takeover bid for Blacks Leisure, the troubled sampling equipment and leisurewear shopping chain.

under the Greenfields name. Mr Roland Denning, a Sears director, said Blacks would complement the Millets outlets, since it offered a more up-market range of merchandise. Sears was already planning to extend this area with a new chain of shops, to be called Tracker, and Blacks would fit in well with this strategy.

totalled \$4.1m (£3.98m), on turnover of £9.2m (£22.5m). Net assets at the year end showed a £0.6m deficiency and net bank borrowing totalled £3.8m.

Martin Ford pays £1m for Barrie Menswear

By Philip Coggan

Martin Ford, the clothing retail chain which recently underwent a change of management, yesterday announced the purchase of Barrie Menswear (London) for £1.1m.

Barrie Menswear made pre-tax profits of £187,000 in the year to March 31, 1986 selling clothes from 16 stores in London's West End and the South of England.

Whitecroft's final offer gets thumbs down from Eleco

By Terry Povey

Eleco Holdings yesterday rejected a final offer from Whitecroft which values the Essex-based construction, property and electrical engineering company at £25.7m on the bidder's closing share price last night of 224p.

On behalf of the Cheshire-based Whitecroft, Mr Tony Rippon said that the raised offer—the initial bid valued Eleco at £25m—was generous and now backed by a cash alternative of 143.5p.

Commenting on this offer, Mr Michael Webster, of Eleco, said that it "blatantly undervalued the company" and that the present management was better equipped to produce increases in earnings than Whitecroft's.

Mr Webster, a divisional managing director and the son of Eleco's chairman, accepted that the company's shares had underperformed in the past.

"But this was only because we concentrated on getting on with running our business and did not communicate with the City, something we now intend to put right," he said.

Both companies and their advisers—Warburg for Eleco and Schroders for Whitecroft—said that they have heard of no approaches by third parties and that no meetings have been held between the two sides to get an agreed merger.

THF acts on Savoy nominees

By Charles Batchelor

Trusthouse Forte, the hotels and catering chain which has been pursuing the Savoy Hotel group for the past six years, has begun a legal action aimed at uncovering the identity of some of Savoy's nominee shareholders.

THF first asked for details of the nominees in advance of Savoy's annual meeting in May under Section 212 of the Companies Act, but Savoy refused to provide it.

The THF bid has involved legal action. In April 1981 THF applied to the High Court for an order convening special meetings of the two classes of Savoy shareholders in an attempt to get round the split voting structure. It was unsuccessful.

METALS and METAL TRADING

The Financial Times is proposing to publish a Survey on Metals and Metal Trading on Tuesday October 7, 1986

For further information, please contact: COLIN TENNANT, Financial Times, Bracken House, 10 Cannon Street, London EC4A 3DF. Tel: 01-248 8000 Telex: 885033

SW Farmer share deals suspended

By Philip Coggan

Share dealings in the SW Farmer Group were suspended yesterday at the company's request, pending an announcement about its future which will be made by the end of the week.

On Monday, the shares fell 16p to 24p, wiping nearly 40 per cent of the market capitalisation. The engineering group had faced severe problems over the last two years, with losses reaching £125m in 1985.

Further board changes followed and Mr Hugh Gibson was appointed chief executive in May. The new management has already taken steps to rationalise the group and has liquidated one subsidiary, the engineering company Farmer Roper, which represented around 15 per cent of the group's turnover.

FT A FINANCIAL TIMES CONFERENCE IN ASSOCIATION WITH PETROLEUM NEWS Pacific Basin Oil & Gas

A Financial Times Survey SCOTLAND The Financial Times proposes to publish a survey on the above on: TUESDAY DECEMBER 2 1986

A Financial Times Survey REGIONAL DEVELOPMENT The Financial Times proposes to publish a survey on the above on: Thursday November 27 1986

A Financial Times Survey ISLE OF WIGHT The Financial Times proposes to publish a Survey on the above on: Friday September 12 1986

LADBROKE INDEX 1.251-1.251 (+8) Based on FT Index Tel: 01-427 4411

Niagara Mohawk Finance N.V.

Notice is hereby given pursuant to Section 307 of the Indenture dated as of September 1, 1981 between Niagara Mohawk Finance N.V. and Credit Lyonnais, as Guarantor, and Manufacturers Hanover Trust Company, as Trustee, that all of the outstanding 17% Guaranteed Notes Due 1989 have been called for redemption on September 1, 1986.

W.H.SMITH & SON (HOLDINGS) PLC

£25,000,000

Sterling Commercial Paper Programme

Dealer Baring Brothers & Co., Limited



GRANVILLE

Table with columns: High/Low, Company, Price, Change, Div., Yield, P/E, Fully Paid. Lists various companies and their financial metrics.

U.S. \$50,000,000 CAISSE CENTRALE DE COOPERATION ECONOMIQUE Floating rate notes due 1998 Unconditionally guaranteed by the Republic of France

Unilever Results

The Directors of Unilever announce the unaudited results for the second quarter and first half-year of 1986. With regard to the activities and results during the first quarter they refer to the announcement of 12th May, 1986.

UNILEVER COMBINED RESULTS ON AN HISTORICAL COST BASIS (£ millions) Table comparing 1986 and 1985 data for turnover, profit, and earnings per share.

COMMENT ON SECOND QUARTER RESULTS At comparable rates of exchange, earnings per share were 28% up on the relatively weak equivalent quarter of last year.

At end June exchange rates the increase in profit attributable is 26% in sterling, 19% in guilders and 34% in dollars.

SUPPLEMENTARY REGIONAL INFORMATION (£ millions at end-1985 exchange rates) Table showing regional performance for Europe, North America, and Rest of the World.

NOTES Exchange Rates The results for the quarter and the half-year and the comparative figures for 1985 have been translated at comparable rates of exchange.

Brooks Bond Group plc The sales and operating profit of Brooks Bond for the fourth quarter 1985, were taken up in Unilever's results for the first quarter 1986.

Part of everyday life, in 75 countries. Unilever Quarterly Results are reprinted in leaflet form. If you wish to be included in the mailing list for these leaflets please write to: External Affairs Department, P.O. Box 68, Unilever House, London EC4A 4BQ.

NOTICE OF RESIGNATION AND APPOINTMENT

To the Holders of each of the below-mentioned Issues:

NOTICE IS HEREBY GIVEN of the resignation of **Manufacturers Hanover Trust Company** (S.A. OMB) from its agency functions indicated below and the appointment of **Bankers Trust Company** (S.A. OMB) as its successor to MBBS for each such agency function effective at the close of business August 14, 1986.

Issue Agency Function

American Bankers Insurance Group, Inc. Paying Agent, Conversion Agent
 1986 Convertible Subordinated Debentures due 2001

American Express Credit Corp. Paying Agent
 12 3/4% Senior Notes due 1988

AMP Incorporated Paying Agent
 7 1/2% Convertible Subordinated Debentures due 1987

Archway-Burch Company, Inc. Paying Agent
 11 1/4% Notes due 1988

CalFed Inc. Paying Agent, Conversion Agent
 7 1/2% Convertible Subordinated Debentures due 2001

Dana International Finance Company Paying Agent
 10 1/4% Guaranteed Notes due 1988

Eastman-Kodak Company Paying Agent
 11 1/4% Guaranteed Notes due October 1, 1987

10 1/4% Guaranteed Notes due November 1, 1988

First City Bancorporation of Texas Paying Agent
 Floating Rate Notes due December 1, 1986

Helmreich & Payne Finance N.V. Paying Agent
 7 1/2% Subordinated Debentures due 1988

MCOP Paying Agent, Transfer Agent
 Floating Rate Subordinated Capital Notes due 1987

Metropolitan National Bank Paying Agent
 11 1/4% Guaranteed Notes due 1989

Chrysler & Truck Leasing Finance Corp. Paying Agent
 10 1/4% Secured Capital Notes due 1988

Chrysler & Truck Water Street Finance Corp. Paying Agent
 8 1/4% Secured Notes due 1986

Zero Coupon Secured Notes due 1985

Rockwell International Inc. Paying Agent
 11 1/4% Guaranteed Notes due 1986

Rockwell Center Properties, Inc. Paying Agent, Conversion Agent
 Current Coupon Convertible Debentures due 2000

Zero Coupon Convertible Debentures due 2000

Rockwell National Corporation Paying Agent
 Floating Rate Subordinated Notes due 1986

Rockwell National Corporation Paying Agent
 Floating Rate Subordinated Capital Notes due 1986

Security Pacific National Bank Paying Agent
 10 1/4% Deposit Notes due 1987

Scott Finance Inc. Paying Agent
 11 1/4% Guaranteed Notes due 1988

Tennessee International N.V. Paying Agent, Conversion Agent
 7 1/2% Convertible Subordinated Debentures due December 1, 1986

W.R. Hambrecht & Co. Paying Agent, Conversion Agent, Transfer Agent
 7 1/2% Convertible Subordinated Debentures due 2001

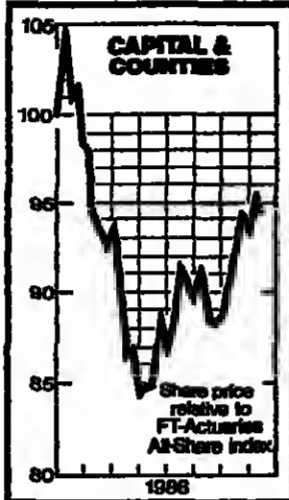
Dated: August 13, 1986

Manufacturers Hanover Trust Company,
 on behalf of the resigning agency functions

UK COMPANY NEWS

Increased profit seen by Capital & Counties

PROFITS attributable to the Capital & Counties property investment and development group in the half year ended June 30 1986 came to £3.7m, against £3.1m for the six months to September 29 1985. Earnings were 5p (4.9p) net, and the interim dividend is lifted from 2.2p to 3p per share. The directors forecast that profit for the full year would



show an improvement over the annualised figure attained in the previous nine months — actual profit for the period was £5.2m.

In the half year operating income from property investment was £7.3m (£7.2m) and from property trading £364,000 (£1.3m). The associated company contributed £318,000 (£97,000). Cost of the ordinary dividend came to £2.2m (£1.6m). Capital and Counties' ultimate holding company is the LifeLife Controlling Corporation of South Africa.

Rush & Tompkins to raise £8m by preference rights

BY RICHARD TOMPKINS

RUSH & TOMPKINS, the international property and construction group, has followed last week's disappointing results with proposals for a rights issue aimed at raising £8.1m net of expenses to strengthen its balance sheet.

Instead of offering ordinary shares the company will issue 8.5m new 7.5 per cent convertible preference shares of £1 each at par on the basis of two for every three ordinary shares held.

The Govett Strategic Investment Trust, a substantial shareholder, has undertaken to take up its rights to 17 per cent of the shares, and the rest of the issue will be underwritten by Barclays de Zoete Wedd. Brokers to the issue will be Phillips & Drew.

Last week Rush & Tompkins reported pre-tax profits of £3.7m for the 15 months to last March against £3m for the year to December 1984. It blamed historically unprofitable contracts in the construction division for what it described as a disappointing result.

However the contracts had

now been completed and it added that plans for improving the division's profitability were in hand.

Yesterday Rush & Tompkins said that the greatest potential for growth in earnings and assets per share lay in increased activity in property development. However, the company was constrained by its high level of borrowings, which at £44m were 100 per cent of shareholders' funds.

Mr Nigel Dunnett, financial director, said the rights issue was one of a number of steps the company was taking to cut borrowings and strengthen the balance sheet. The company was negotiating a number of new developments.

The preference shares will be convertible between 1989 and 2005 on the basis of 40.8 ordinary shares for every £100 nominal of preference. This represents an effective conversion ratio of 245p a share.

Full conversion of the preference shares would result in the issue of 3.5m ordinarys, representing 31 per cent of the enlarged equity.

Unidare advances 33% in first half

WITH SOME 65 per cent of its products being sold abroad, the Dublin-based Unidare group lifted its pre-tax profit by 33 per cent from £1.14m to £1.52m for the first half of 1986, equal to around £1.57m sterling.

The second half began satisfactorily, the directors reported, and they expected the somewhat improved results to be maintained, with the distribution of sales remaining similar.

Unidare makes electrical cables and transformers. The large percentage of sales abroad reflected the depth of the continuing recession in Ireland and the ready acceptability of the products abroad.

Both the building trade and agriculture industry — important home markets — were still sluggish with little evidence of recovery, the directors pointed out.

Sales for the half year increased 9 per cent to £28m. After tax £517,000 (£355,000) the net profit worked through at £998,000 (£739,000). This gave earnings of 9.03p (5.53p) and the interim dividend is raised from 2.3 to 3p per share.

In March there were major changes in the shareholding of the company, resulting in 66 per cent of the capital being placed with institutional investors at 175p each.

The shares were released by Philips Electrical (Ireland) and Alcan Aluminium.

F. H. Lloyd
 F. H. Lloyd Holdings' chairman told the annual meeting that at the end of the first quarter of the current year, profits were ahead of the comparable quarter of last year. He added: "I continue to expect further growth."

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering Dividends. Official indications are not reliable as to whether the dividends are interim or final and the schedule shown below are based mainly on last year's timetable.

TODAY

Insurance Commercial Union, Foreign and Colonial Investment Trust, General Accident, Fire and Life Assurance, Philips Lamps, Trencherwood, Fleet J. Sewell Gordon.

FUTURE DATES

Asterisks — Aug 28

Babcock International	Sept 4
Cambridge Electronic Industries	Aug 20
Counter Products Marketing	Aug 22
Emson (I. M.)	Aug 26
Federated Housing	Aug 28
Minervac	Aug 20
Palma	Aug 27
Task Force	Aug 19
Tricentral	Aug 15
Waterford Glass	Aug 20
Armstrong Equipment	Sept 17
Bates (John)	Aug 14
Shagan Industries	Aug 19
Gold Fields of South Africa	Aug 18
Nor-Orient Oil Trust	Sept 3
Tent	Aug 20
Wessell (J. W.)	Aug 18

GOLD FIELDS GROUP NEW WITS LIMITED

(Incorporated in the Republic of South Africa) (Registration No. 05/04823/06)

PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 30 June 1986	Year ended 30 June 1985
REVENUE	R800	R000
Income from investments	15,836	12,078
Surplus on realisation of investments	59	1,067
Interest and sundry	629	751
	16,524	13,896
EXPENDITURE AND WRITE OFF	1,228	665
Exploration	222	100
Administration	633	550
Written off	365	15
PROFIT BEFORE TAX	15,304	13,231
Tax	24	386
PROFIT AFTER TAX	15,280	12,845
Minority shareholders' interest	246	226
PROFIT ATTRIBUTABLE TO MEMBERS	15,034	12,619
Unappropriated profit, brought forward	56	148
	15,090	12,767
Less:	15,033	12,711
Dividends declared	9,242	8,086
Interim 30.0c (22.0c)	3,466	2,541
Final 50.0c (48.0c)	5,776	5,545
Transfer to reserves	5,791	4,625
Unappropriated profit, carried forward	57	56
Earnings per share—cents	130	109
Dividends—per share—cents	80	70
Times dividends covered	1.6	1.6
Net assets (as valued) per share—cents	2,125	1,657

The annual report will be posted to members in September 1986.

DECLARATION OF FINAL DIVIDEND
 Dividend No. 71 of 50 cents per share in respect of the year ended 30 June 1986 has been declared in South African currency, payable to members registered at the close of business on 29 August 1986. Warrants will be posted on or about 30 September 1986. Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.

Request for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 29 August 1986 in accordance with the abovementioned conditions.

The register of members will be closed from 30 August to 5 September 1986, inclusive.

By order of the Board
 per pro CONSOLIDATED GOLD FIELDS PLC
 London Secretaries
 Mrs G. M. A. Gledhill, Secretary
 United Kingdom Registrars
 Hill Samuel Registrars Limited
 6 Greenock Place
 London SW1P 1PL

London Office:
 31 Charles II Street
 St James's Square
 London SW1Y 4AG
 12 August 1986

DBSBANK
 THE DEVELOPMENT BANK OF SINGAPORE LTD
 (Incorporated with Limited Liability in the Republic of Singapore)

To: All Bondholders
US\$70,000,000 5 1/2% Convertible Bonds due 1988

SUSPENSION OF BOND CONVERSION
 NOTICE IS HEREBY GIVEN that the Bonds will not be convertible during the period 5 September 1986 to 11 September 1986, both dates inclusive, being the period during which the Share Transfer Books and the Register of Members of the Company will be closed for the purpose of determining shareholders' entitlement to the interim dividend declared in respect of the financial year ending 31 December 1986.

BY ORDER OF THE BOARD
SHIRLEY LOO-LIM (MRS) 12 August 1986
 SECRETARY Singapore

Metal Bulletin profit up 60%

Metal Bulletin returned to profits growth in the first half of 1986 with an increase of 60 per cent in the taxable result from £312,000 to £497,000. The directors said that the trading pattern was similar to that in its record year of 1984 when pre-tax interim profits were £489,200.

However, they added that they did not expect the full year result to reach the £1.21m of that year.

The shares, traded on the USM, rose 8p on the announcement but fell later to close unchanged at 105p.

Turnover rose by £381,000 to £3.18m for this publisher of international trade journals and directories and conference organiser. Earnings per 10p share came out at 2.61p (2.09p) and the interim dividend is being raised from 1.5p to 1.65p. Last year there was a total payment of 4.25p on pre-tax profits of £1.03m.

The tax charge was £180,500 (£128,700) to leave net profits at £317,400 against £169,500 last time.

Benlox stake

Chesaminster Group, a Canadian company, has increased its stake in Benlox Holdings, an industrial holding company headed by Mr Michael Buckley, from just under 15 per cent to 18 per cent.

Chesaminster announced it had bought a further 600,000 Benlox shares. On August 5 it said it had bought a 14.76 per cent holding.

YORK MOUNT GROUP reports an acceptance level received following the recent rights issue of 98.14 per cent.

NOTICE OF RESIGNATION

To the Holders of each of the below-mentioned Issues:

NOTICE IS HEREBY GIVEN of the resignation of **Manufacturers Hanover Trust Company** (S.A. OMB) from its agency functions indicated below effective at the close of business August 14, 1986.

Issue Agency Function

COMSAT International N.V. Paying Agent, Conversion Agent
 7 1/2% Convertible Subordinated Debentures due 1988

First Boston, Inc. Paying Agent, Transfer Agent
 7 1/2% Subordinated Notes due 1986

GlenFed, Inc. Paying Agent, Conversion Agent
 7 1/2% Convertible Subordinated Debentures due 2001

Philip Morris Credit Capital N.V. Paying Agent
 Zero Coupon Guaranteed Notes due 1984

Dated: August 13, 1986

Manufacturers Hanover Trust Company,
 on behalf of the resigning agency functions

TOKYO SANYO ELECTRIC CO., LTD.

5 1/4% Convertible Notes Due November 30, 1986
NOTICE CONCERNING MERGER

Pursuant to the provisions of Section 3.05 of the Indenture dated as of August 12, 1981 between Tokyo Sanyo Electric Co., Ltd. ("Tokyo Sanyo") and Morgan Guaranty Trust Company of New York, as Trustee, under which Tokyo Sanyo's \$30,000,000 (the "Notes") were issued, notice is hereby given that:

(1) Tokyo Sanyo and Sanyo Electric Co., Ltd. ("Sanyo") have entered into an agreement for merger (the "Merger Agreement") whereby Tokyo Sanyo will merge into Sanyo and be dissolved and Sanyo will assume all of the business, assets and liabilities of Tokyo Sanyo as a continuing corporation.

(2) As a result of the merger the shareholders of Tokyo Sanyo will be issued one share of common stock of Sanyo having a par value of ¥50 per share for each Tokyo Sanyo share immediately after the effective date of the merger (at present expected to be 28th February, 1987).

(3) Pursuant to the Commercial Code of Japan the Merger Agreement is subject to the approval of the shareholders of both Tokyo Sanyo and Sanyo. An extraordinary general meeting of shareholders will be held on 27th August, 1986 for Tokyo Sanyo and on 29th August, 1986 for Sanyo to seek for the approval of the shareholders of the respective companies of the Merger Agreement. The shareholders who were registered on the register of shareholders of the respective companies as of 31st May, 1986 will be entitled to attend and vote at the shareholders' meeting of the relevant company. (It should be noted that any holder of the Notes who converted his Notes into shares of Tokyo Sanyo during the period between 1st June, 1986 and the date of the shareholders' meeting (both days inclusive) will not be entitled to participate in these shareholders' meetings.)

(4) Pursuant to the terms of the Merger Agreement the holders of shares of Tokyo Sanyo registered on the register of shareholders of Tokyo Sanyo as of 30th November, 1986 will also be paid by Sanyo an amount of ¥44 per share of Tokyo Sanyo held of record in lieu of the year-end dividend of Tokyo Sanyo for the year ending 30th November, 1986. This amount, however, will be subject to amendment upon consultation between Tokyo Sanyo and Sanyo in view of the condition of assets and liabilities of Tokyo Sanyo existing on 1st December, 1986.

(5) On and after the effective date of the merger all the obligations of Tokyo Sanyo under the Notes will be succeeded to by Sanyo as if it were the issuer of the Notes and the holders of Notes will be entitled to convert their Notes into shares of common stock of Sanyo having a par value of ¥50 per share. The conversion price of the Notes will not be adjusted as a result of the merger and the ratio of allotment of Sanyo shares to Tokyo Sanyo shareholders will be one Sanyo share for each Tokyo Sanyo share held.

TOKYO SANYO ELECTRIC CO., LTD.

Dated: August 13, 1986

People in action...



...The HAT Group

The HAT Group has already created the largest painting service company in the world, built the third largest office cleaning service group in the UK, created a major UK non-mechanical plant hire operation and established from scratch a maintenance division which is the only multi-trade service organisation of its kind in the UK.

The HAT Group is a unique multi-faceted service operation which depends

on the skills of highly trained and experienced specialists.

The HAT Group is already taking care of hospitals, hotels and international headquarters, of oil rigs, power stations and refineries, of royal palaces, high street banks and building societies, of naval ships and aircraft hangars, of offices, shops and stores, of schools and supermarkets.

People making better business

The HAT Group
 Barley Wood
 Wington
 Avon BS18 7SA

This announcement appears as a matter of record only.

Standard Life

The Standard Life Assurance Company

£210,000,000

Dual Currency Loan Facility

Mandated Bank and Lead Manager

Citicorp Investment Bank Limited

Lead Managers

Samuel Montagu & Co. Limited (UK Sponsor Bank)

Algemene Bank Nederland N.V., London Office • Credit Suisse

The Dai-ichi Kangyo Bank, Limited • Deutsche Bank Aktiengesellschaft
London Branch

The Fuji Bank, Limited • The Mitsubishi Bank, Limited

The Tokai Bank, Limited • Westdeutsche Landesbank Girozentrale

Managers

Banque Nationale de Paris p.l.c. • Banque Paribas (London) • Gulf International Bank B.S.C.

The Mitsui Bank, Limited • The Nippon Credit Bank, Ltd.

Co-Managers

Banque Internationale a Luxembourg • Credit Lyonnais

Provided by

Algemene Bank Nederland N.V., London Office • Citibank, N.A. • Credit Suisse

The Dai-ichi Kangyo Bank, Limited • Deutsche Bank Aktiengesellschaft • The Fuji Bank, Limited

The Mitsubishi Bank, Limited • Samuel Montagu & Co. Limited • The Tokai Bank, Limited

Westdeutsche Landesbank Girozentrale • Banque Nationale de Paris p.l.c. • Banque Paribas (London)

Gulf International Bank B.S.C. • The Mitsui Bank, Limited • The Nippon Credit Bank, Ltd.

Banque Internationale a Luxembourg • Credit Lyonnais

Advisor to Borrower

Bank of Scotland

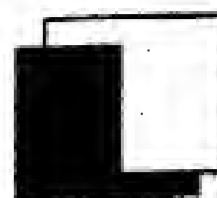
Agent

Citicorp Investment Bank Limited

March 7, 1986

CITICORP INVESTMENT BANK

This announcement appears as a matter of record only.



LANDSVIRKJUN

(The National Power Company, Iceland)

U.S. \$100,000,000

Loan Facility

Arranger

Citicorp Investment Bank Limited

Managers

Christiania Bank og Kreditkasse • The Dai-ichi Kangyo Bank, Limited • The Fuji Bank, Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

The Industrial Bank of Japan, Limited • The Mitsubishi Bank, Limited

The Mitsubishi Trust and Banking Corporation • The Sumitomo Bank, Limited

The Sumitomo Trust & Banking Co., Ltd. • The Taiyo Kobe Bank, Limited

Yamaichi International (Nederland), N.V.

Co-Managers

Algemene Bank Nederland N.V. • Associated Japanese Bank (International) Limited

Kansallis Banking Group • Mitsui Trust Bank (Europe) S.A. • PKbanken • The Tokai Bank, Limited

Participants

Banque Internationale a Luxembourg S.A. • Kuwait-French Bank

Morgan Guaranty Trust Company of New York

Agent

Citicorp Investment Bank Limited

June 30, 1986

CITICORP INVESTMENT BANK

This announcement appears as a matter of record only.



Ente Nazionale per l'Energia Elettrica

U.S. \$400,000,000

Multiple Facility

Guaranteed by

The Republic of Italy

Arranged by

Citicorp Investment Bank Limited

Lead Managers

Banca Commerciale Italiana • Banca Nazionale dell'Agricoltura • Banco di Napoli • Banco di Sicilia

Banca di Roma • Banco di Santo Spirito • Citicorp Investment Bank Limited • Credit Lyonnais • Credit Suisse

The Dai-ichi Kangyo Bank, Limited • Deutsche Bank • The Fuji Bank, Limited

The Industrial Bank of Japan, Limited • Industrial Multinational Investments Limited

Istituto Bancario San Paolo di Torino • The Mitsui Bank, Limited • The Sumitomo Bank, Limited

The Sumitomo Trust & Banking Co., Ltd.

Co-Lead Managers

Amsterdam-Rotterdam Bank N.V. • The Bank of Yokohama, Ltd.

The Kyowa Bank, Ltd. • The Mitsui Trust and Banking Co. Ltd.

Managers

Banco di Santo Spirito • Banque Nationale de Paris • Credito Italiano • SanPaolo-Lariano Bank S.A. • Societa Generale

Provided by

Amsterdam-Rotterdam Bank N.V., Paris Branch • BACOB s.c. • Banca Commerciale Italiana, London Branch • Banca Nazionale dell'Agricoltura

Banco di Napoli • Banco di Santo Spirito London Branch • Banco di Sicilia, London Branch • The Bank of Yokohama, Ltd.

Bankers Trust Company • B.S.F.E. Banque de la Societe Financiere Europeenne • Banque Indosuez • Banque Nationale de Paris

Canadian Imperial Bank of Commerce (International) S.A. • Citibank (Channel Islands) Limited • Credit Lyonnais • Credit Suisse

Credito Italiano, London Branch • The Dai-ichi Kangyo Bank, Limited • Deutsche Bank • The Fuji Bank, Limited • Generale Bank S.A./N.V.

The Industrial Bank of Japan, Limited • Industrial Multinational Investments Limited • Istituto Bancario San Paolo di Torino, London Branch

The Kyowa Bank, Ltd. • The Mitsui Bank, Limited • The Mitsui Trust and Banking Co. Ltd. • The Nikko (Luxembourg) S.A.

Nomura Europe N.V. • SanPaolo-Lariano Bank S.A. • Societa Generale • The Sumitomo Bank, Limited

The Sumitomo Trust & Banking Co., Ltd.

Tender Panel Members

Banca Commerciale Italiana, London Branch • Banca Nazionale dell'Agricoltura • Banco di Napoli • Banco di Santo Spirito, London Branch

Banco di Sicilia, London Branch • The Bank of Yokohama, Ltd. • Bankers Trust International Limited • Citicorp Investment Bank Limited

Credito Italiano, London Branch • The Dai-ichi Kangyo Bank, Limited • Deutsche Bank Aktiengesellschaft, London Branch • EBC Amro Bank Ltd.

Full International Finance Limited • Generale Bank S.A./N.V. • Goldman Sachs International Corp. • IBI International Limited

Istituto Bancario San Paolo di Torino, London Branch • The Kyowa Bank, Ltd. • Merrill Lynch Capital Markets • The Mitsui Bank, Limited

The Mitsui Trust and Banking Co. Ltd. • The Nikko (Luxembourg) S.A. • Nomura Europe N.V. • Salomon Brothers International Limited

SanPaolo-Lariano Bank S.A. • J. Henry Schroder Wagn & Co. Limited • S.F.E. Bank Limited

Shearson Lehman Brothers International • Societa Generale • The Sumitomo Bank, Limited • Sumitomo Trust International Limited • S.G. Warburg & Co. Ltd.

Discounting Agent

Secombe Marshall & Campion

Agent and Tender Panel Agent

Citicorp Investment Bank Limited

April 11, 1986



This announcement appears as a matter of record only.

IRI

Istituto per la Ricostruzione Industriale

U.S. \$600,000,000

Multicurrency Revolving Loan Facility

Arranger

Citicorp Investment Bank Limited

Lead Managers

Banca Nazionale del Lavoro • Banco di Napoli International S.A.

Banco di Roma • Bank of Tokyo International Limited • Banque Nationale de Paris

Canadian Imperial Bank of Commerce (International) S.A. • Credit Agricole

Credito Italiano • The Dai-ichi Kangyo Bank, Limited • Deutsche Bank

The First National Bank of Boston • The Fuji Bank, Limited

Gulf International Bank B.S.C. • IBI International Limited

The Kyowa Bank, Ltd. • The Mitsubishi Bank, Limited • The Mitsui Bank, Limited

Sanwa International Limited • The Sumitomo Trust & Banking Co., Ltd.

The Taiyo Kobe Bank, Limited • The Tokai Bank, Limited

Managers

The Chuo Trust and Banking Company, Limited • Industrial Multinational Investments Limited

The Mitsui Trust and Banking Co. Ltd.

Co-Managers

The Bank of Yokohama, Ltd. • Cassa di Risparmio delle Province Lombarde

SanPaolo-Lariano Bank S.A. • Societa Generale

Loan Granted by

Banco di Roma, London Branch

In Association with

Banco di Napoli International S.A. • Banca Nazionale del Lavoro • The Bank of Tokyo, Ltd.

Banque Nationale de Paris • Canadian Imperial Bank of Commerce (International) S.A.

Credito Italiano • Credito Italiano • The Dai-ichi Kangyo Bank, Limited

Deutsche Bank • The First National Bank of Boston • The Fuji Bank, Limited

Gulf International Bank B.S.C. • The Industrial Bank of Japan, Limited • The Kyowa Bank, Ltd.

The Mitsubishi Bank, Limited • The Mitsui Bank, Limited • The Sanwa Bank, Limited • The Sumitomo Trust & Banking Co., Ltd.

The Taiyo Kobe Bank, Limited • The Tokai Bank, Limited • The Chuo Trust and Banking Company, Limited

Industrial Multinational Investments Limited • The Mitsui Trust and Banking Co. Ltd. • The Bank of Yokohama, Ltd.

Cassa di Risparmio delle Province Lombarde • SanPaolo-Lariano Bank S.A. • Societa Generale

BACOB s.c. • Caisse d'Epargne de l'Etat du Grand-Duché de Luxembourg • The Daiwa Bank, Limited

Nomura Europe N.V. • The Salama Bank, Ltd. • Societa Generale Alsacienne de Banque • Ippa Bank

Agent

Citicorp Investment Bank Limited

May 8, 1986

CITICORP INVESTMENT BANK

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

EQUITIES

Table of equity prices with columns for Stock, Price, and Change. Includes entries like Anglo-Saxon, Anglo-Continental, Anglo-Scottish, etc.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Stock, Price, and Change. Includes entries like Anglo-Continental, Anglo-Scottish, Anglo-Continental, etc.

"RIGHTS" OFFERS

Table of rights offers with columns for Stock, Price, and Change. Includes entries like Anglo-Continental, Anglo-Scottish, Anglo-Continental, etc.

F.T. CROSSWORD PUZZLE No. 6,098

Crossword puzzle grid with clues for Across and Down. Includes clues like 'Conditions part of orchestra', 'Simply places apart', etc.

Solution to puzzle No. 6,097. Includes the crossword grid and the corresponding words for Across and Down.

Main table of unit trusts with columns for Name, Price, and Change. Lists numerous unit trusts such as Anglo-Continental, Anglo-Scottish, Anglo-Continental, etc.

Table of Scottish Unit Managers with columns for Name, Price, and Change. Lists various Scottish unit trusts and their managers.

AUTHORISED UNIT TRUSTS & INSURANCES

Wentley Asset Management Ltd (a) (c) (g)
13 Charlotte St, London EC2A 4EJ
01-252 1551

Westaven Unit Trust Managers Ltd (A)(C)
90 Princes Street, London EC2A 4EJ
01-252 1551

Whitbridge Unit Trust Managers Ltd
20 Hoxton Road, London EC2A 4EJ
01-252 1551

Wright Seligman Fund Managers Ltd
11 Beaufort St, London EC2A 4EJ
01-252 1551

The Yorkshire General Trust
Westgate Pl, Leeds LS1 2JF
01-252 1551

Abney Life Assurance Co Ltd
80 Hoxton Road, London EC2A 4EJ
01-252 1551

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Abney Life Assurance Co Ltd
80 Hoxton Road, London EC2A 4EJ
01-252 1551

City of Edinburgh Life Assurance
40 Charlotte St, Edinburgh EH2 4HQ
01-222 1655

City of Westminster Assurance
200 Strand, London WC2R 0EX
01-252 1551

Equitable Life Ass Soc-Contd
100 Strand, London WC2R 0EX
01-252 1551

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M & G Group
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M & G Group
Three Quays, Sevenoaks, Kent TN11 8JL
01-252 1551

Provincial Life Assurance Co Ltd
322 Brompton Road, London EC2A 4EJ
01-252 1551

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INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, value, and change.

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MANAGEMENT SERVICES

Table listing various management services with columns for service name, value, and change.

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OFFSHORE AND OVERSEAS

Table listing various offshore and overseas funds with columns for fund name, value, and change.

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Money Market

Table listing various money market instruments with columns for instrument name, value, and change.

Money Market Bank Accounts

Table listing various money market bank accounts with columns for account name, value, and change.

TRADITIONAL OPTIONS

Table listing various traditional options with columns for option name, value, and change.

NOTES

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A selection of Options traded is given on the London Stock Exchange Reference Page.

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firmer in quiet trading

THE DOLLAR finished towards the best level of the day on persistent short covering. This was partly due to renewed speculation that the West German Bundesbank might cut its discount rate and also hopes of higher oil prices. However, US economic statistics due for release this week may provide further evidence of an economic slowdown, thus putting further pressure on the dollar.

£ IN NEW YORK

Table with columns: Aug 12, Aug 11, Latest, Prev. close. Rows: Spot, 1 month, 3 months, 6 months, 12 months.

Exchange rate index rose from 110.6 to 111.1.

STEKLING - Trading range against the dollar in 1986 is 1.5555 to 1.3770.

Against this background, the dollar was marked firmer in early trading and was content thereafter to trade within a fairly narrow range.

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POUND SPOT—FORWARD AGAINST POUND

Table with columns: Aug 12, Day's spread, Close, One month, % p.a., Three months, % p.a. Rows: US, Canada, Belgium, Denmark, France, Germany, Italy, Japan, Korea, UK, Switzerland, etc.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table with columns: Aug 12, Day's spread, Close, One month, % p.a., Three months, % p.a. Rows: UK, Ireland, Canada, Belgium, Denmark, France, Germany, Italy, Japan, Korea, UK, Switzerland, etc.

EXCHANGE CROSS RATES

Table with columns: Aug 12, £, DM, Yen, SFR, Hfl, Lira, C\$, B Fr. Rows: DM, Yen, SFR, Hfl, Lira, C\$, B Fr.

EURO-CURRENCY INTEREST RATES

Table with columns: August 12, Short term, 7 days, 1 month, 3 months, 6 months, One year. Rows: Sterling, DM, Yen, SFR, Hfl, Lira, C\$, B Fr.

MONEY MARKETS

Hopes grow of cuts in world rates

INTEREST RATES had a softer tone in London yesterday, as speculation increased about a co-ordinated increase of world interest rate cuts in the near future. Mr Paul Volcker, chairman of the Federal Reserve Board, met Otto Poehl, president of the West German Bundesbank, for informal talks at the weekend.

NEW YORK RATES

Table with columns: (Lundings), Prime rate, Broker loan rate, Fed funds at intervention, Treasury Bills & Bonds, etc.

MONEY RATES

Table with columns: August 12, One month, Two months, Three months, Six months, Lombard. Rows: Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin.

FINANCIAL FUTURES

Little change

PRICES WERE little changed on the London International Financial Futures Exchange yesterday. September long term gilts opened firmer at 120-23, maintaining Monday's trend.

LIFE LONG GILT FUTURES OPTIONS

Table with columns: Strike, Calls, Puts, Last, etc. Rows: 110, 115, 120, 125, 130, 135, 140, 145, 150, 155, 160, 165, 170, 175, 180, 185, 190, 195, 200.

LIFE C/2 OPTIONS

Table with columns: Strike, Calls, Puts, Last, etc. Rows: 110, 115, 120, 125, 130, 135, 140, 145, 150, 155, 160, 165, 170, 175, 180, 185, 190, 195, 200.

PHILADELPHIA 6% OF 1987

Table with columns: Strike, Calls, Puts, Last, etc. Rows: 110, 115, 120, 125, 130, 135, 140, 145, 150, 155, 160, 165, 170, 175, 180, 185, 190, 195, 200.

CURRENCY MOVEMENTS

Table with columns: August 12, Bank of England, Morgan Guaranty, etc. Rows: Sterling, Canadian Dollar, Australian Dollar, etc.

CURRENCY RATES

Table with columns: Aug 12, Bank of England, Morgan Guaranty, etc. Rows: Sterling, Canadian Dollar, Australian Dollar, etc.

OTHER CURRENCIES

Table with columns: Aug 12, Argentina, Australia, Canada, etc. Rows: Argentina, Australia, Canada, Denmark, France, Germany, Italy, Japan, Korea, UK, Switzerland, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Ecu, Currency, % change, % change, Divergence. Rows: Belgium, France, Germany, Italy, Netherlands, etc.

FT LONDON INTERBANK FIXING

Table with columns: Three months US dollars, Six months US dollars, bid, Offer. Rows: Three months US dollars, Six months US dollars.

LONDON MONEY RATES

Table with columns: August 12, Over night, 7 days, 1 month, 3 months, 6 months, One year. Rows: Interbank, Sterling, Local Authority, etc.

COMMODITIES

Second to none

Our story starts in 1835 when the forerunner of the ANZ Group was granted a Royal charter in London. We have been active in the City ever since.

We have expanded with the markets, earning a reputation for high ethical standards and dedicated professionalism, with emphasis on customer service.

Today, London Treasury is at the international centre of the Groups foreign exchange dealings. Behind us stand assets of over A\$49 billion, and offices in 46 countries.

We are the predominant dealers and market makers in Australian and New Zealand dollars. Our acknowledged skills in US dollars, sterling, yen and other major currencies are equally strong.

We are well known as product innovators, especially in alternative financing techniques. Just as important of course, is our service to customers. We offer fine rates, rapid and competitive prices.

To find out more about our highly-rated foreign exchange services, telephone ANZ Treasury today.

Major Currencies: 01-2803219, Australasian Currencies: 01-2803222, Corporate Traders: 01-2803209, Euro & E.Market: 01-2803200, Futures: 01-2803218, Financing Techniques: 01-2803224, Grindlays FX: 01-2803216.

Head Office: 55 Colindale Avenue, London NW9 1QB. Tel: 01-2803216. U.K. Europe: ANZ Global Treasury, 25 Greenchurch Street, London EC3V 9BN. Tel: 01-250 3315 (Inquiries). Tel: 087111. Reuters Monitor Code: ANZC.

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BRITISH FUNDS

Table of British Funds with columns for High, Low, Stock, Price, Div, Yield, and various fund names like 'Shorts' (Lives up to Five Years), 'Over Fifteen Years', and 'Index-Linked'.

AMERICANS - Cont.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of London Share Service - Building, Timber, Roads - Cont. listing various companies like Bovis Lend Lease, Bovis Lend Lease, Bovis Lend Lease, etc.

INDUSTRIALS - Continued

Table of London Share Service - Industrials - Continued listing various industrial companies like British Airways, British Airways, British Airways, etc.

CANADIANS

Table of Canadian stocks with columns for High, Low, Stock, Price, Div, Yield, and various Canadian company names.

DRAPERY & STORES - Cont.

Table of London Share Service - Drapery & Stores - Cont. listing various retail and clothing companies.

ELECTRICALS

Table of London Share Service - Electricals listing various electrical and utility companies.

OVER FIFTEEN YEARS

Table of British Funds - Over Fifteen Years listing long-term investment funds.

CHEMICALS, PLASTICS

Table of London Share Service - Chemicals, Plastics listing various chemical and plastic companies.

FOOD, GROCERIES ETC

Table of London Share Service - Food, Groceries Etc listing various food and grocery companies.

INDEX-LINKED

Table of British Funds - Index-Linked listing funds that track the stock market index.

DRAPERY AND STORES

Table of London Share Service - Drapery and Stores listing various retail and clothing companies.

HOTELS AND CATERERS

Table of London Share Service - Hotels and Caterers listing various hotel and catering companies.

INT. BANK AND DISCS

Table of International Bank and Discs listing various international financial institutions.

BEERS, WINES & SPIRITS

Table of London Share Service - Beers, Wines & Spirits listing various beverage companies.

INDUSTRIALS (Miscel.)

Table of London Share Service - Industrials (Miscel.) listing various miscellaneous industrial companies.

CORPORATION LOANS

Table of Corporation Loans listing various corporate loan offerings.

BUILDING, TIMBER, ROADS

Table of London Share Service - Building, Timber, Roads listing various construction and infrastructure companies.

AMERICANS

Table of American stocks with columns for High, Low, Stock, Price, Div, Yield, and various US company names.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans listing various international loan offerings.

BEERS, WINES & SPIRITS

Table of London Share Service - Beers, Wines & Spirits listing various beverage companies.

AMERICANS

Table of American stocks with columns for High, Low, Stock, Price, Div, Yield, and various US company names.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails listing various international bond and rail investments.

BUILDING, TIMBER, ROADS

Table of London Share Service - Building, Timber, Roads listing various construction and infrastructure companies.

AMERICANS

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Table of American stocks with columns for High, Low, Stock, Price, Div, Yield, and various US company names.

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Main financial table with columns for various market categories: INDUSTRIALS, LEISURE, PROPERTY, INVESTMENT TRUSTS, FINANCE, LAND, MINES, and MISCELLANEOUS. Each category contains a list of stocks with their respective prices and changes.

NOTES
Users should refer to prices and not dividends as in practice...

PLANTATIONS
African Lakes, Anglo-Siam, Anglo-Siam, Anglo-Siam...

MISCELLANEOUS
Anglo-Siam, Anglo-Siam, Anglo-Siam, Anglo-Siam...

REGIONAL & IRISH STOCKS
African Lakes, Anglo-Siam, Anglo-Siam, Anglo-Siam...

Recent Issues and Rights Page 25
(Continued from Page 25)

This service is available to any company...
Exchange throughout the United Kingdom for a fee of £25 per annum for each security.

LONDON STOCK EXCHANGE

Interest rate hopes give markets a further boost

Account Dealing Dates
Option
*First Declares Last Account
Dealings Hous Dealings Day
July 28 Aug 7 Aug 8 Aug 12
Aug 11 Aug 28 Aug 29 Sept 8
Sept 1 Sept 11 Sept 12 Sept 23

Revised interest rate hopes together with the continuing effects of Monday's good news about lower raw material costs were a further shot in the arm for London stock markets yesterday. Equities returned to control stage at the previous session's heavy buying of gold and platinum-related issues petered out, leaving prices at the mercy of profit-taking.

The possibility of a co-ordinated reduction in American and European interest rates next month was the latest stimulant to trigger a slightly cheaper rates for commercial credit which left the key three-month interbank rate below the current level of base lending rate.

Wall Street's best rise for some time - the Dow Jones index spurted 28 points overnight on cheaper money hopes - was a further incentive for investors. Institutional and US operators were active and just when the price advance seemed to be flagging interest was revitalised by Unilever.

The group announced a mid-term earnings rise of around 20 per cent and helped to restore confidence over the corporate profits' outlook which was severely dented throughout the past week.

Demand for stock was persistent and eventually exerted a squeeze on dealers' book positions. This gave the market added momentum and many leading shares scored double-figure gains.

Clearers up again
Clearing banks continued to make good progress. NatWest were again popular at 50p, up 10, while Barclays ended a similar amount dealer at 40p as did Laoy at 40p.

Mercury International put on 5 at 340p and Schroders appreciated 5 at 610p. Among Hire Purchases, Equity and General improved a penny more to 186p. A group of 80p on speculative buying fuelled by rumours of a stake changing hands.

Renewed support in anticipation of today's interim figures helped Commercial Union gain 7 more at 306p. General Accident which also reported half-yearly figures today, hardened a penny to 812p. GRE put on 4 at 820p, after 807p, and Royals added 5 at 824p, after 819p.

Lloyds Bankers were featured by a speculative group of 9 in Hogg Robinson, at 810p, as take-over hopes revived.

The impending Monopolies Commission investigation into the supply of beer for sale in licensed premises continued to overshadow leading Breweries. Galesworth, however, provided a new impetus for the market rising 10 to 817p amid reported US support.

Blacks Leisure fall
Early news of the agreed 3.6p cash bid from new bidder, Black Leisure, to acquire the company, led to a sharp drop in the share price. The bid was rejected by the company's board.

FINANCIAL TIMES STOCK INDICES
Table with columns for Date, Index, and various market indicators. Includes Government Secs, Fixed Interest, Ordinary V, Div. Div. Yield, P/E Ratio, Total Returns, and Shares Traded.

put on 7 to 312p, but Ferranti, a recent bid favourite, drifted off to close 6 cheaper at 106p. Dataserv hardened 3 to 160p on news of the proposed acquisition of Compel Group for £2.2m, while revived speculative demand led Sunlight a penny firmer at 261p.

Engineers provided several noteworthy movements. Weir Group, due to report interim figures on August 27, met with persistent buying and advanced 9 to 113p, while Bebeco, half-yearly results expected early in September, put on 6 further to 186p.

Foods staged a technical recovery. J. Salansbury picked up 6 at 374p and Asda-MKT improved 4 to 134p. Traded option activity in the wake of a recent broker's lunch with the company boosted takeover hopes lifted Bejama 6 to 164p.

Eleco advance
Eleco, reflecting the increased offer from Whitecroft, advanced 11 to 146p. Elsewhere in miscel-

laneous industrials, London International met with aggressive buying and put on 14 to 212p. It was announced yesterday that the company had acquired 6.76 per cent stake in the company. Pentland interim figures due on August 28, were supported and put on 20 to 430p while Bestwood closed 23 higher at 608p following half-yearly statement. US buying left Pearson 20 higher at 526p and Reuters 10 to the good at 505p, while Restormor responded to the preliminary figures with a gain of 8 to 96p.

Far-eastern oriented issues made useful progress in investment. The Draxton Japan firm gained 9 to 731p and Fleming Japan put on 7 at 713p, while Baillie Gifford Japan rose 6 to 420p, as did GY Japan at 203p.

London hotel award scheme
THE British Tourist Authority has launched a competition to highlight London bed-and-breakfast establishments, offering something special for visitors.

Oil steady
Leading Oils gave a fairly steady performance as hopes of a rise in the price of oil continued. OPEC agreement would hold. Shell edged up 4 more to 940p, but BP, a shade firmer at one stage, drifted off to close 3 cheaper on the balance at 890p.

710p, on further consideration of the board's proposed listing on the Tokyo Stock Exchange. Renewed speculative buying prompted gains of 6 and 10 respectively in DRG, 272p, and BPOC, 276p, while Abbott Mead Vickers put on 6 at 218p and Boase Massim gained 7 to 287p.

The Property leaders displayed modest gains. Occasional buying interest left Land Securities 3 better at 318p and M&P 2 dearer at 325p. Peachey hardened 10 to 162p. Arlington and Slough Estates, to 169p. Second issues featured Warford Investments which gained 4 to 650p in a restricted market following the announcement of a rights issue.

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control, half-timer due on Friday, eased 3 to 58p. Renewed buying on expansion hopes helped Tizer Kemsley touch 180p bid at one stage before trading an active session 5 dearer at 170p. Elsewhere in Overseas Traders, James Finlay added 6 at 84p.

Plantations were featured by a fresh speculative rise of 4 in Grand Central to 2 new peak of 70p: the shares have now risen from around the 50p level in a couple of weeks following an investment recommendation.

Mining markets, the subject of considerable excitement on Monday as renewed fears of possible disruptions to South African precious metal supplies stimulated widespread enthusiasm throughout the list, put on a much more composed performance yesterday.

Both Gold and Platinum lost modest ground - the former settled 2.76p lower at \$348.25 an ounce, while Platinum was fixed 88 cheaper at \$336.5 an ounce during the afternoon - and share quotations of metal producers gave ground accordingly.

The absence of follow-through interest from New York coupled with sporadic profit-taking of leading Golds from Johannesburg - many counters were standing at all-time highs in Rand terms - led investors elsewhere to take often substantial short-term profits.

Dealers reported more stable conditions, however, and losses among heavyweights were restricted to a couple of points, as in Vaal Reefs. 5413. Among the more marginal stocks, Driefontein, 612p, and Eastandam 355p, added 1 and 2 respectively, while Marivele dined 12 to 73p. The FT Gold Mines index fell 5.1 to 232.6.

Australian lost ground as London mirrored dull conditions in overnight Sydney and Melbourne markets. Reports that a number of institutional portfolios were being offered for sale, while the Australian dollar continued to weaken against the pound, were recorded by Peko-Wallend, 220p, and CRA, 220p.

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EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for Series, Vol., Last, Bid, Ask, and other market data.

TRADITIONAL OPTIONS

Table of Traditional Options with columns for First Deal, Last Deal, and other market data.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various stock indices and sectors.

MONDAY'S ACTIVE STOCKS

Table of Monday's Active Stocks with columns for Stock, Closing Day's Change, and other market data.

YESTERDAY'S ACTIVE STOCKS

Table of Yesterday's Active Stocks with columns for Stock, Closing Day's Change, and other market data.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Equity Groups, Fixed Interest, and various sub-sections.

NEW HIGHS AND LOWS FOR 1986

Table listing new highs and lows for various companies in 1986.

BASE LENDING RATES

Table of Base Lending Rates for various banks and financial institutions.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Calls, Puts, and various market data.

WORLD STOCK MARKETS

Table of world stock markets including Australia, Germany, Norway, Australia (continued), Japan (continued), Canada, Hong Kong, Singapore, South Africa, and various regional indices.

Table of Canadian stock markets including Toronto and Montreal, listing various companies and their stock prices.

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Table of over-the-counter stock prices from the Nasdaq national market, listing various stocks and their prices.

Indices

Table of various stock indices including New York, Standard and Poors, Hong Kong, Italy, Netherlands, Norway, and South Africa.

LONDON Chief price changes

Table of London chief price changes for various commodities and currencies.

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Prices at 3pm, August 12

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices for various companies, organized in columns with headers for 12 Month, High, Low, and Stock symbols.

Continued on Page 31

NYSE COMPOSITE PRICES

AMEX COMPOSITE PRICES

Prices at 3pm, August 12

Table of NYSE Composite Prices. Columns include 12 Month High, Low, Stock, Div, Yld, P/E, High, Low, Close, Change. Includes sub-sections for Continued from Page 30, S, S S, T, U, V, W, X, Y, Z, and U U.

Table of AMEX Composite Prices. Columns include Stock, Div, Yld, P/E, High, Low, Close, Change. Includes sub-sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Table of Over-the-Counter prices. Columns include Stock, Sales, High, Low, Last, Change. Includes sub-sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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